



For the year ended 2017

The City of Ellensburg  
Washington  
Comprehensive Annual  
FINANCIAL REPORT

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Finance Director  
**Jerica Pascoe**

Accounting Manager  
**Holly Conti**

Sr. Financial Analyst/Budget Officer  
**Keith Bassett, CGFM**

Accountant II  
**Gloria Lanphere**

Application Specialist  
**Brent Myrick**

For The Fiscal Year  
Ended December 31, 2017

Prepared by the Finance Department

**CITY OF ELLENSBURG, WASHINGTON**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2017

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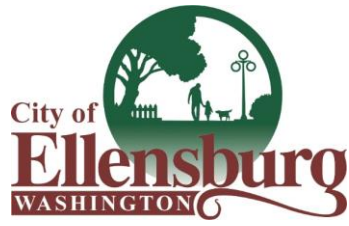
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## Introductory Section

# 2017 Ellensburg City Council



Nancy Lillquist, Mayor Pro Tem  
Term Expires: 12/31/2021



Nancy Goodloe  
City Council Member  
Term Expires: 12/31/2021



Bruce Tabb, Mayor  
Mayoral Term Expires: 12/31/2019



David Miller  
City Council Member  
Term Expires: 12/31/2019



Nicole Klauss  
City Council Member Term  
Expires: 12/31/2019



Jill Scheffer  
City Council Member  
Term Expires: 12/31/2019



Mary Morgan  
City Council Member  
Term Expires: 12/31/2021



**Administrative Staff**



Cindy Smith  
Human Resources Director



John Akers  
City Manager



Terry Weiner  
Assistant City Manager/City  
Attorney



Jerica Pascoe  
Finance Director



Ryan Lyyski  
Public Works & Utilities Director



Kirsten Sackett  
Community Development  
Director



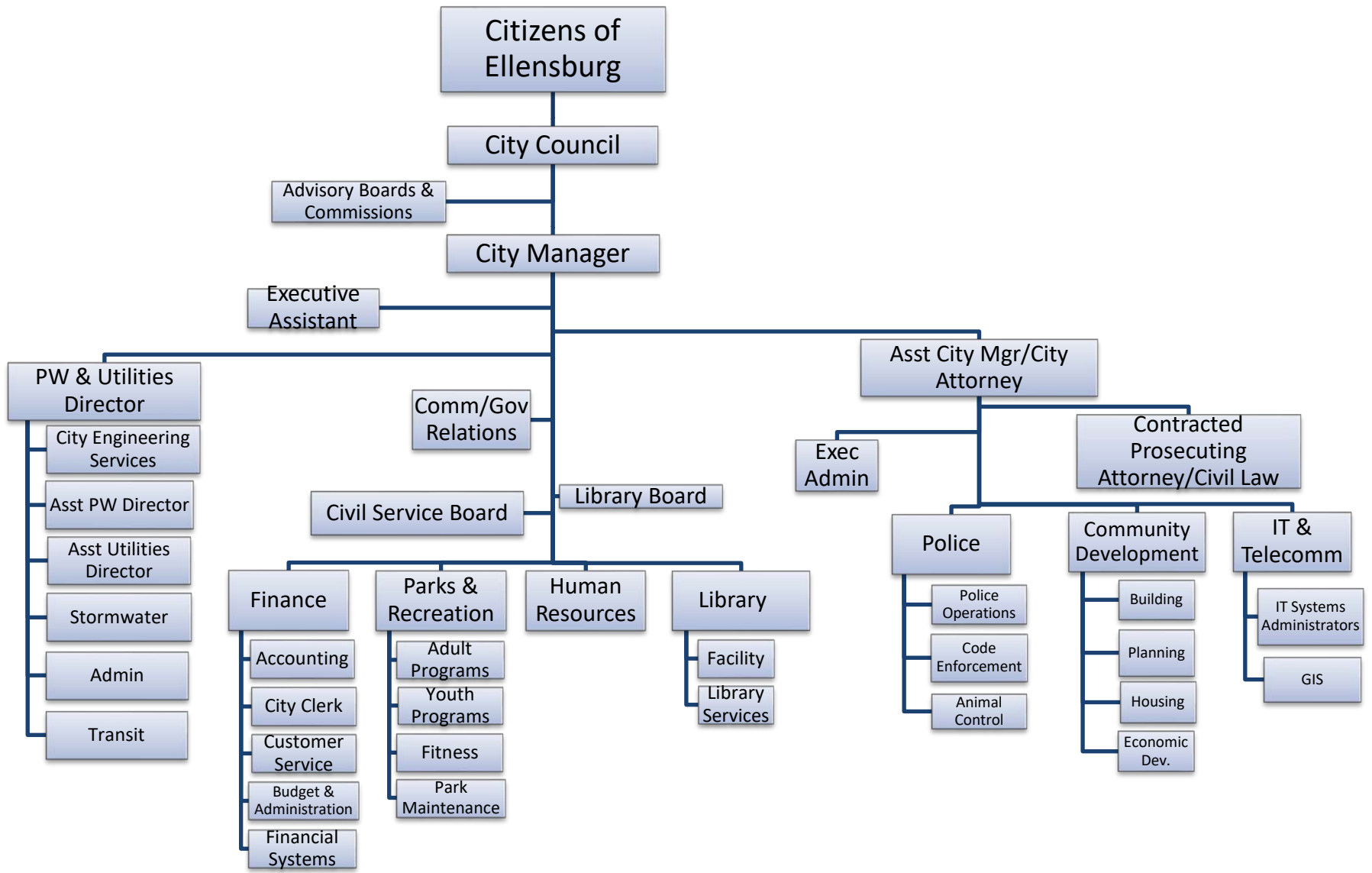
Brad Case  
Parks & Recreation Director



Ken Wade  
Chief of Police



Josephine Camarillo  
Library Director





## Financial Section



**Office of the Washington State Auditor**  
**Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

September 6, 2018

Mayor and City Council  
City of Ellensburg  
Ellensburg, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ellensburg, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ellensburg, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Arterial Street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual financial statements and schedules and supplementary information are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the sole purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

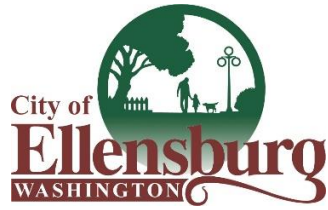
### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated September 6, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy  
State Auditor  
Olympia, WA



# Management's Discussion & Analysis

## *Management's Discussion and Analysis*

As management of the City of Ellensburg, we offer this narrative overview and analysis of the financial activities of the City of Ellensburg for the fiscal year ended December 31, 2017 to the readers of the financial statements. The purpose is to highlight significant financial issues, major financial activities and resulting changes in financial position, and economic factors affecting the city. We encourage readers to consider the information presented here and accompanying notes following the narrative. All amounts, unless otherwise indicated, are expressed in millions of dollars.

### **Financial Highlights**

- The assets and deferred outflows of the City of Ellensburg exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$122.60 million (net position). Of this amount, \$23.11 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. In addition, \$10.19 million (restricted net position) is dedicated to specific purposes and \$89.30 million is for net investment in capital assets.
- The government's total net position increased by \$7.15 million, which includes prior period adjustments of .24 million. The governmental activities increased by \$3.42 million and the business-type activities increased by \$3.73 million. The majority of the increase to governmental activities is attributable to the increase in sales and use taxes received, traffic impact fees, and grant funding used in arterial street projects. The majority of the increase to business type activities is attributable to operating income in all the utility funds as well as capital contributions in the Water and Sewer funds.
- As of the close of the current fiscal year, the City of Ellensburg's governmental funds reported a combined ending fund balance of \$13.42 million, which is an increase of \$2.65 million over the prior year. The City saw continued increase in construction in 2017, resulting in additional sales tax and building permits fees as well as a continued increase in other retail sales & use taxes classes.
- The City of Ellensburg's enterprise funds reported a combined ending net position of \$57.78 million which includes .14 million in prior period adjustments, which is an increase of \$2.57 million over the prior year. The majority of this increase is attributable to the increase in charges for services in all the utility funds as well as a decrease in operating expenses for Gas, Water, and Sewer funds. Interest and investment revenue increased for all the enterprise funds as well as capital contributions for the Water, Sewer, and Stormwater funds.



## **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Ellensburg's basic financial statements which are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City of Ellensburg's financial position in a manner similar to that of a private-sector business.

The *Statement of Net Position* presents information on all of the City of Ellensburg's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ellensburg is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned/unused vacation leave). The statement also identifies the amount of general revenues needed to fully fund each governmental function.

Both of the government-wide financial statements distinguish functions of the City of Ellensburg that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Ellensburg include general government, public safety, transportation, economic development, social services, and culture and recreation. The business-type activities of City of Ellensburg include gas distribution, electric distribution, water distribution, sewer collection and treatment, telecommunications, and stormwater.

The *Government-Wide Financial Statements* can be found on pages 17 - 18 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ellensburg, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Ellensburg can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

These statements focus on major governmental funds and proprietary funds separately. The city's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds." Statements for the city's proprietary funds and fiduciary funds follow the governmental funds and include net position, revenues, expenses, and changes in fund net position and cash flow.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements as well as its capacity to finance its programs in the near future.

The focus of governmental funds is narrower than that of the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Ellensburg maintains 21 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Arterial Street Fund, which are considered major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Ellensburg uses a biennial budget process to adopt two (2) one-year annual budgets for its General Fund and Arterial Street Fund. This report includes a budgetary comparison statement to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

**Proprietary funds.** The City of Ellensburg maintains two different types of proprietary funds; Enterprise and Internal Service Funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial

statements. The City of Ellensburg uses enterprise funds to account for telecommunications, gas distribution operations, electric distribution operations, water distribution operations, wastewater treatment operations, and stormwater operations.

***Internal service funds*** are an accounting device used to accumulate and allocate costs internally among the City of Ellensburg's various functions. City of Ellensburg uses internal service funds to account for its information technology system, fleet of equipment, health and benefits, and risk management. The fleet of equipment, information technology system and risk management predominantly benefit business-type functions rather than governmental functions, therefore they have been included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Gas, Electric, Water, and Sewer funds, which are considered major funds of the City of Ellensburg. Conversely, Information Technology (IT), Equipment Repair and Replacement (ER&R), Health and Benefits, and Risk Management funds in the internal service funds are combined into single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28 - 32 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of the City of Ellensburg employees and parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support City of Ellensburg's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 33 – 34 of this report.

***Notes to the financial statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 – 90 of this report.

***Other information.*** In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning the City of Ellensburg's progress in funding its obligations to provide pension benefits to its employees as well as schedules, statistical data, and other information. The combining

statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information (RSI). The schedules can be found right before the combining and individual fund statements.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$122.60 million at the close of the 2017 fiscal year. The City's fiscal condition remains stable and is relatively better than last year.

The largest portion of City of Ellensburg's net position (73% (\$89.30 million out of \$122.60 million) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Ellensburg's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### ***City of Ellensburg's Statement of Net Position December 31, 2017 (In Millions)***

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
<b>Assets:</b>						
Current and Other Assets	\$ 14.48	\$ 19.19	\$ 30.96	\$ 31.37	\$ 45.44	\$ 50.56
Capital Assets	48.82	49.01	59.55	60.58	108.36	109.59
Total Assets	63.30	68.20	90.51	91.95	153.80	160.15
<b>Deferred Outflow of Resources</b>						
Def. Outflow of debt refunding				0.37	-	0.37
Def. Outflow of Res. Pension	1.23	0.95	1.08	0.28	2.31	1.24
Total Deferred Charges	1.23	0.95	1.08	0.66	2.31	1.61
<b>Liabilities</b>						
Other Liabilities	1.16	1.49	3.49	3.13	4.65	4.62
Long-Term Liabilities	11.97	12.00	23.85	21.16	35.83	33.16
Total Liabilities	13.14	13.48	27.34	24.29	40.47	37.77
<b>Deferred Inflow of Resources</b>						
Deferred Gain on Refunding	-		0.05	0.04	0.05	0.04
Deferred: Pension	0.08	0.94	0.07	0.41	0.15	1.35
Total Deferred Outflows of Resources	0.08	0.94	0.12	0.44	0.19	1.38
<b>Net Position</b>						
Net Investment in Capital	45.40	46.05	41.39	43.25	86.79	89.30
Restricted	5.16	7.22	2.42	2.97	7.58	10.19
Unrestricted	0.74	1.46	20.33	21.65	21.08	23.11
Total Net Position	\$ 51.31	\$ 54.73	\$ 64.14	\$ 67.87	\$ 115.45	\$ 122.60

An additional portion of the City of Ellensburg's net position (\$10.19 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$23.11 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Ellensburg is able to report positive balances in all categories of net position. The government's net investment in capital assets increased by 2.88% (from \$86.79 million to \$89.30 million) The government's restricted net position increased by 34.44% (from \$7.58 million to \$10.19 million), and the unrestricted increased by 9.63% (from \$21.08 million to \$23.11 million). The increase in the restricted net position is due to capital contributions and the addition of the Ellensburg Public Transit Fund. This fund is mostly supported by an additional 2/10 of 1% sales tax increase, which is considered restricted.

The governmental activities increased the City of Ellensburg's net position by \$3.42 million, thereby accounting for 47.78% of the total growth in the net position. Key elements of this increase are as follows:

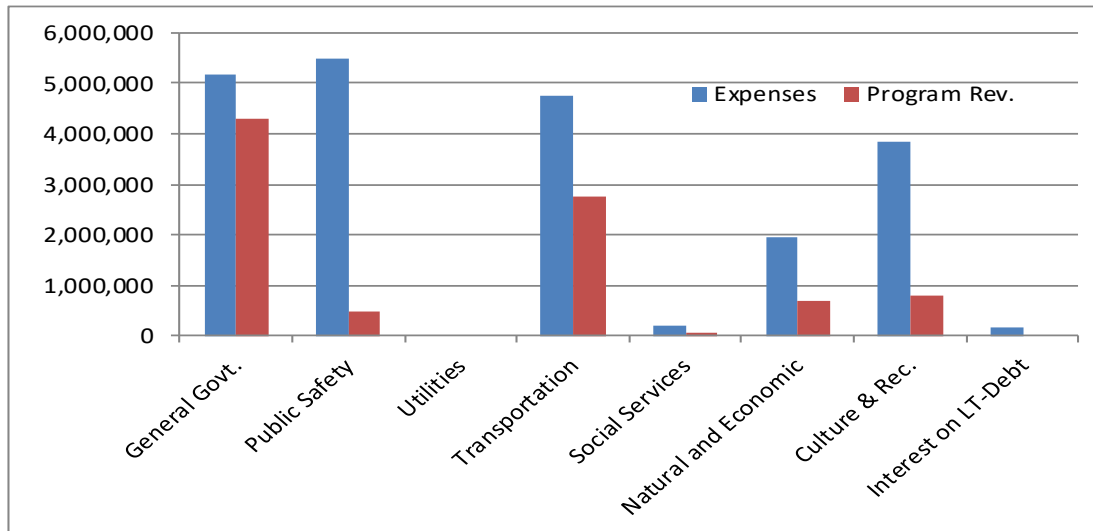
**City of Ellensburg's Statement of Activities**  
**For the Years Ended December 31, 2016 and 2017**  
(In Millions)

Revenues:	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Program Revenues						
Charges for Services	\$ 5.38	\$ 5.80	\$ 30.98	\$ 33.53	\$ 36.36	\$ 39.32
Operating Grants & Contributions	0.85	0.88	0.33	0.17	1.18	1.05
Capital Grants & Contributions	1.66	2.38	0.80	0.93	2.46	3.31
General Revenues						
Property Taxes	2.97	3.00	-	-	2.97	3.00
Retail Sales & Use Tax	6.05	8.44	-	-	6.05	8.44
Other Taxes	3.26	3.63	-	-	3.26	3.63
Investment Earnings	0.07	0.14	0.12	0.24	0.19	0.38
Gain (Loss) in change of fair value		0.03		(0.08)		(0.05)
Other Income	0.57	0.28	0.35	0.03	0.92	0.31
<b>Total Revenues</b>	<b>20.82</b>	<b>24.58</b>	<b>32.58</b>	<b>34.82</b>	<b>53.39</b>	<b>59.39</b>
Expenses:						
General Government	4.99	5.17			4.99	5.17
Public Safety	4.35	5.50			4.35	5.50
Transportation	5.38	4.74			5.38	4.74
Social Services	0.19	0.19			0.19	0.19
Natural and Economic	1.88	1.97			1.88	1.97
Culture & Recreation	3.60	3.85			3.60	3.85
Interest on LT Debt	0.14	0.15			0.14	0.15
Utilities	-	-	31.53	30.96	31.53	30.96
Others	-	-			-	-
<b>Total Expenses</b>	<b>20.52</b>	<b>21.56</b>	<b>31.53</b>	<b>30.96</b>	<b>52.05</b>	<b>52.52</b>
Inc(Dec) in Net Position before Transfers	0.29	3.02	1.04	3.85	1.34	6.87
Special Items - Gain (Loss)	0.00	0.04		-	0.00	0.04
Transfers	0.09	(0.02)	(0.09)	0.02	-	
<b>Change in Net Position</b>	<b>0.39</b>	<b>3.04</b>	<b>0.95</b>	<b>3.87</b>	<b>1.34</b>	<b>6.91</b>
Net Position - Beginning	50.92	51.31	63.18	64.14	114.11	115.45
Prior Period Adjustments	-	0.37	-	(0.14)	-	0.24
<b>Net Position at Year End</b>	<b>\$ 51.31</b>	<b>\$ 54.73</b>	<b>\$ 64.14</b>	<b>\$ 67.87</b>	<b>\$ 115.45</b>	<b>\$ 122.59</b>

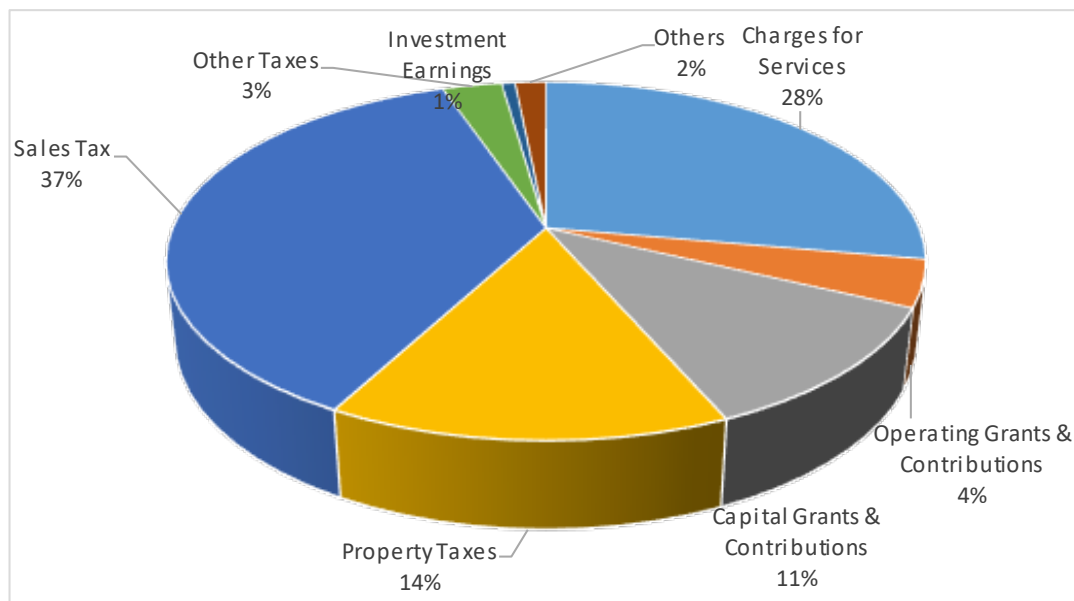
**Governmental Activities**

The net position for Governmental Activities from December 31, 2016 to December 31, 2017 increased by \$3.04 million. This is attributed to the increase in sales and use tax from construction and other classes, the passing of the .2% increase to retail sales and use tax for transit, increased utility taxes, and the increase in capital grants and contributions used for funding transportation.

## 2017 Expenses and Program Revenues - Governmental Activities



## 2017 Revenues by Source – Governmental Activities



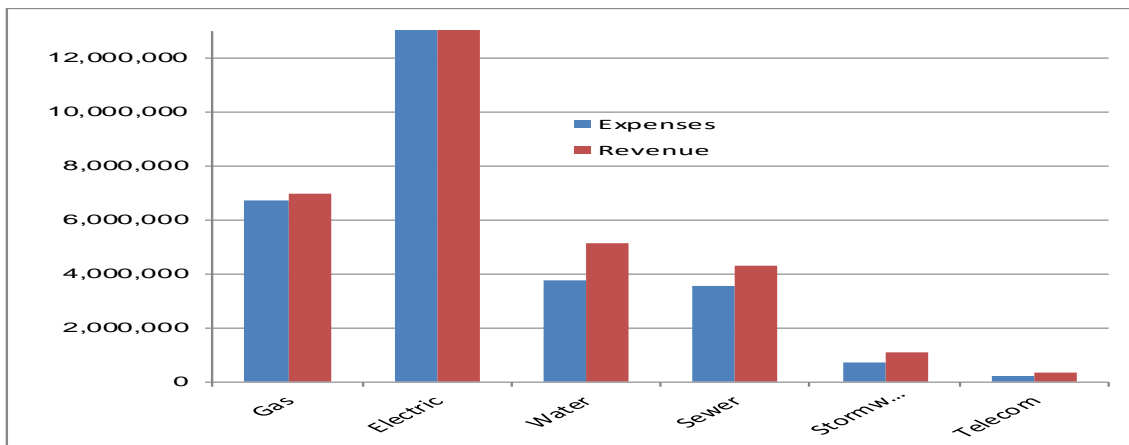
### Business-type activities

The business-type activities increased the City of Ellensburg’s net position by \$3.87 million, accounting for 55.96% percent of the total growth in the government’s net

position. Increase in net position for the all utilities contributed approximately \$3.66 million. Key elements of this increase are as follows:

- utility rate increases
- weather
- capital contributions
- decreased maintenance and operations spending in the Gas, Water, and Sewer utilities.

### 2017 Expenses and Program Revenues – Business-type Activities



### Financial Analysis of the Government’s Funds

As noted earlier, the City of Ellensburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Ellensburg’s governmental funds is to provide information on near-term inflows, outflows, and balances of spending resources. Such information is useful in assessing the City of Ellensburg’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Ellensburg’s governmental funds reported a combined ending fund balance of \$13.42 million (see page 21). This is an increase of \$2.65 million from the prior year. Of this amount, \$4.53 million constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate it is not available for new spending because it has already been committed or designated to pay for contracts or special programs (\$8.76 million) or to pay debt service (\$0.13 million).



- The General Fund is the chief operating fund of the City of Ellensburg. At the end of the current fiscal year, the General Fund had a fund balance of \$4.59 million; the majority of this amount is classified as unassigned funds. The increase of \$.63 million in fund balance from the prior year is a result of an increase in retail sales and use tax, utility tax revenue increase, increase in investment income, and a decrease in capital outlay. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 33.49% (\$4.53 million out of \$13.53 million) of the total General Fund expenditures. The General Fund reported \$1.27 million in interfund loans used to defease GO Bonds. The loan is reported on the face of the basic financial statements; however, the asset is only reported in the government-wide financial statements.
- Arterial Street Fund is a major fund of the governmental funds. Arterial Street Fund includes both the 123 (Arterial) and the 120 (Street) funds. At the end of the current fiscal year, Arterial Street had a fund balance of \$2.18 million, an increase of \$.17 million from 2016. A majority of this fund balance is classified as assigned (\$2.14 million). The assigned amount is to be used for street construction and maintenance. During the current year, the City of Ellensburg began design work and continued additional work on major projects such as the Vantage/Pfenning road intersection, 7<sup>th</sup> Avenue bike boulevard development, and the Capital Avenue project. The remainder of the expenditures were for street maintenance. The timing of grant funds used for projects such as John Wayne Trail, Bike Boulevard, Vantage/Pfenning Intersection, and the LED Street Light Conversion is the main reason for the increase in fund balance.

### **Proprietary funds**

The City of Ellensburg's proprietary funds (see page 28-32) provide the same type of information found in the government-wide financial statements, but in more detail.

Restricted net position of the proprietary funds at the end of the year amounted to \$2.97 million including \$1.45 million in debt service and \$1.52 million in construction.

Unrestricted net position was \$23.42 million, and the total net position for all proprietary funds was \$69.64 million. Of the \$23.42 million of unrestricted net position, there is \$10.93 million in cash and cash equivalents.

- The Gas Fund had an ending net position of \$7.86 million in 2017. This is an increase of \$.063 million from 2016. The majority of this increase is due to the decrease in noncurrent liabilities from debt repayment and decreased net pension liability, increase in charges for services created by rate increases and weather, and a decrease in operating expenses.

- The Electric Fund had an ending net position of \$16.49 million, an increase of \$.42 million over 2016. The majority of this increase is attributed to the decrease in noncurrent liabilities from debt repayment and decreased net pension liability, and an increase in charges for services created by rate increases and weather.
- The Water Fund had an ending net position of \$16.25 million, an increase of \$1.40 million over 2016. This increase is attributed to the decrease in noncurrent liabilities from debt repayment and decreased net pension liability, increase in charges for services created by rate increases and weather, capital contributions, and a decrease in operating expenses.
- The Sewer Fund had an ending net position of \$13.16 million, which was an increase of \$.61 over 2016. the decrease in noncurrent liabilities from debt repayment and decreased net pension liability, increase in charges for services created by rate increases and weather, capital contributions, and a decrease in operating expenses.

The decrease in net pension liability for all utilities and the offsetting decrease in the adjustment to pension expenses are a result of a combination of factors found in the DRS CAFR RSI and notes. There was a decrease in overall services costs (referred to as service credits in the DRS CAFR) and the expected rate of return on investments was higher than projected. We are following the SAO suggested allocation methods. However because we have such a small pool of individuals in PERS 1, any retirement or addition of PERS 1 employees will swing the allocation between governmental and utilities.

### **General Fund Budgetary Highlights**

Actual General Fund revenues were higher than the final budgeted revenues by \$.35 million during fiscal year 2017. This increase is mostly due to strong increases in retail sales and use tax revenue, utility tax revenue and building licenses and permits. Charges for services came in below budget. This is created with the “truing up” of interdepartmental admin allocation charges. The budgeted charges are calculated based on the estimated admin costs being allocated out to the different funds using the services. The costs for Finance Department, City Manager, Attorney and Personnel staff all came in below budget, therefore reducing the administrative allocation charges for their services.

The departments within the General Fund spent \$1.8 million less than their final annual budget.

Budget amendments and supplemental appropriations were made during the year to prevent budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget.

The following are the significant supplemental appropriations during the year.

General Fund	BUDGET			ACTUAL		
	Original	Supplemental	Final	General	Other Funds	Total
<b>Revenues</b>						
Taxes	\$ 10.90	\$ -	\$ 10.90	\$ 6.52	\$ 4.90	\$ 11.42
Licenses & Permits	0.68	\$ -	0.68	0.74	-	0.74
Intergovernmental Revenues	0.40	\$ -	0.40	0.45	-	0.45
Charges for Goods & Services	3.84	\$ -	3.84	3.70	-	3.70
Fines & Penalties	0.28	\$ -	0.28	0.22	-	0.22
Miscellaneous Revenues	0.20	\$ 0.01	0.21	0.22	0.01	0.23
Other Financing Sources	2.10	\$ -	2.10	2.01	0.00	2.01
<b>Total Revenues</b>	<b>18.42</b>	<b>0.01</b>	<b>18.42</b>	<b>13.86</b>	<b>4.91</b>	<b>18.77</b>
<b>Expenditures</b>						
City General	1.31	(0.05)	1.26	1.14	-	1.14
Finance	1.83	0.03	1.86	1.73	-	1.73
City Manager	1.02	-	1.02	0.98	-	0.98
Police	4.78	0.01	4.79	4.31	0.04	4.35
Community Development	1.14	0.01	1.15	1.00	-	1.00
Engineering	1.00	0.05	1.05	0.95	-	0.95
Parks & Rec	2.37	0.05	2.42	2.35	-	2.35
Library	1.10	0.02	1.12	0.99	-	0.99
Debt Service	0.31		0.31	0.02	-	0.02
Capital Outlay- General	0.03		0.03	0.01	-	0.01
Other Financing Uses	4.43	0.52	4.94	0.02	4.61	4.63
<b>Total expenditures</b>	<b>19.31</b>	<b>0.64</b>	<b>19.95</b>	<b>13.50</b>	<b>4.65</b>	<b>18.15</b>
<b>Change to fund balance</b>	<b>\$ (0.90)</b>	<b>\$ (0.63)</b>	<b>\$ (1.53)</b>	<b>\$ 0.37</b>	<b>\$ 0.25</b>	<b>\$ 0.62</b>

The difference between the original budget and final budget calculated to a \$1.53 million decrease to fund balance. However, because of an increase in revenues and the underspending of expenditures in all other areas, the budgeted decrease to fund balance was not used, and the increase to fund balance was \$.62 million.

### Capital Asset & Long-Term Debt Activity

The City of Ellensburg’s net investment in capital assets for governmental and business-type activities as of December 31, 2017 amounts to \$89.30 million (net of accumulated depreciation) (see page 17). This investment in capital assets includes land, building, and systems improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the City of Ellensburg net investment in capital assets for the current year included a 1.39% (\$.63 million out of \$45.40 million) increase for governmental activities and an increase of 4.5% (\$1.86 million out of \$41.39 million) for business type activities.

At the end of the fiscal year 2017, the City of Ellensburg’s net investment in capital assets for its governmental activities was \$46.05 million (see page 17). Major capital asset events during the current fiscal year included the following:

#### Change in Capital Assets (millions)

<b>Governmental</b>	12/31/2016	Additions	Decreases	12/31/2017
Land	\$ 12.81	\$ 0.10	\$ -	\$ 12.92
Construction in Progress	0.47	0.17	0.33	0.31
Infrastructure	65.52	2.51	-	68.02
Building	11.53	-	-	11.53
Non-Building Improvements	3.62	0.49		4.11
Machinery & Equipment	1.15	-	0.15	1.00
Total	95.10	3.27	0.48	97.89
Less Accumulated Depreciation	46.28	2.90	0.31	48.87
Total Capital Assets Net of Depreciation	\$ 48.82	\$ 0.37	\$ 0.17	\$ 49.01

## Change in Capital Assets (millions)

<b>Business Type activities</b>	12/31/2016	Additions	Decreases	12/31/2017
Land	\$ 1.15	\$ 1.02	\$ -	\$ 2.17
Construction in Progress	3.34	0.30	2.40	1.25
Building	12.92	0.23	-	13.15
Non-Building Improvements	73.77	3.10	-	76.87
Machinery & Equipment	21.08	2.04	0.25	22.87
Total	112.26	6.70	2.65	116.31
Less Accumulated Depreciation	52.71	3.27	0.25	55.73
Total Capital Assets Net of Depreciation	\$ 59.55	\$ 3.43	\$ 2.40	\$ 60.58

See Note 5 for detailed information on Capital Assets

## Commitments for capital expenditures

The City has active construction projects as of December 31, 2017. See Note 18 for detailed information on project commitments.

## Long-term Debt

At year-end, the City had \$33.16 million in long-term debt.

## Outstanding Debt, at Year-End (millions)

<b>Governmental activities:</b>	<b>2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>2017</b>
Bond Payable	\$3.40	\$0.12	\$0.55	\$2.97
Premium	0.13	0.00	0.01	0.11
Compensated absences	0.77	0.16	0.00	0.93
OPEB Liability	3.40	0.44	0.00	3.84
Net Pension Liability	4.28	0.00	0.14	4.14
Total Governmental	\$11.97	\$0.72	\$0.70	\$12.00
<b>Enterprise activities:</b>				
Bond Payable	\$18.16	\$0.28	\$1.11	\$17.33
Premium	0.61	0.00	0.08	0.53
Comp	0.65	0.07	0.29	0.43
Net Pension Liability	4.44	0.00	1.56	2.87
Total Enterprise	23.85	0.35	3.04	21.16
Total Long-Term Debt	\$35.83	\$1.07	\$3.74	\$33.16

See Note 8 for more detail on Long-Term Debt.

In 2017, the City issued private placement bonds with North Cascades Bank to provide funds to make capital improvements to facilities of the City, including the renovation of the Police Department, and to pay costs of issuance of the Bond. This bond was issued December 28, 2017, is not to exceed \$7.2 million, and has a draw period that ends November 30, 2019. The City's outstanding balance as of 12/31/2017 was \$121,200. At the end of the draw period, the outstanding balance will be amortized over 18 years.

The state law limits the amount of general obligation debt the City can issue without the vote of the people to 1.5% of the total assessed value. As of the end of the fiscal year, the City has \$20.10 million remaining in debt capacity (non-voted). More detail information on capital assets and long-term debt are provided in the notes to the financial statements (Note 5 & 8).

The City also has an outstanding interfund loan in the total amount of \$1.27 million. This loan is from the Electric Fund to General Fund to defease the 2001 & 2002 G.O. bonds. This loan is not part of the Long-Term Debt; it is reported under interfund loans payable.

### **Economic and other factors affecting future financial position**

The economy of the City is based mostly on government services and agriculture. The top major employers in the City of Ellensburg are government agencies and government support companies. A few of the City of Ellensburg's major employers are Central Washington University, Ellensburg School District, Kittitas Valley Hospital, Kittitas County, and the City of Ellensburg. The local economy continues to grow. Construction is continuing to boom in Kittitas County and Central Washington University is a driving force in the construction as well as other areas of the Ellensburg economy.

A .01 percent sales tax increase was included in the November 2017 ballot after a resolution passed by City Council in July 2017 for funding affordable housing and mental health services. The ballot passed and on April 1, 2018 the City's sales tax increased from 8.2 to 8.3 percent.

### **Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

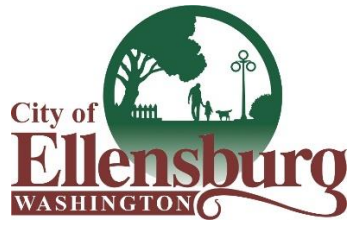
Finance Department

City of Ellensburg

501 N Anderson Street

Ellensburg, Washington 98926

or visit the City web site at [www.ci.ellensburg.wa.us](http://www.ci.ellensburg.wa.us)



# Basic Financial Statements

## CITY OF ELLENSBURG, WASHINGTON

### Statement of Net Position December 31, 2017

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Primary Government Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,391,314	\$ 10,046,971	\$ 21,438,285
Deposits with fiscal agents	526,440	-	526,440
Investments	4,645,294	7,908,318	12,553,612
Receivables(net)			
Property taxes	167,857	-	167,857
Accounts	222,300	4,889,877	5,112,177
Internal balances	(845,652)	845,652	-
Due from other governments	1,440,510	107,664	1,548,174
Inventories	39,228	1,816,571	1,855,800
Restricted assets:			
Cash and cash equivalents	-	5,755,943	5,755,943
Net pension asset	1,598,713	-	1,598,713
Capital assets, not being depreciated			
Land	12,916,437	2,165,550	15,081,987
Construction in progress	306,357	1,248,341	1,554,698
Capital assets, net (see note 5)			
Infrastructure	28,761,918	-	28,761,918
Buildings	5,055,370	7,941,590	12,996,960
Improvements & other buildings	1,739,759	40,694,609	42,434,368
Machinery & equipment	232,408	8,527,603	8,760,011
Total Assets	<u>68,198,255</u>	<u>91,948,689</u>	<u>160,146,944</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows debt refunding	-	371,218	371,218
Deferred outflows of resources pension	951,395	284,609	1,236,004
Total Deferred Outflows of Resources	<u>951,395</u>	<u>655,828</u>	<u>1,607,223</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	690,508	956,866	1,647,374
Wages and benefits payable	381,908	503,914	885,823
Due to other governments	228,911	1,061,842	1,290,753
Other liabilities	185,406	606,128	791,534
Non current liabilities (Note 8):			
Due within one year	829,628	1,144,096	1,973,723
Due in more than one year	3,178,525	17,141,907	20,320,432
Other postemployment benefits	3,844,829	-	3,844,829
Net pension liability	4,143,386	2,874,518	7,017,904
Total Liabilities	<u>13,483,101</u>	<u>24,289,271</u>	<u>37,772,372</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred gain on refunding	-	36,293	36,293
Deferred inflows of resources: pension	940,463	408,184	1,348,648
Total Deferred Inflows of Resources	<u>940,463</u>	<u>444,477</u>	<u>1,384,941</u>
<b>NET POSITION</b>			
Net investment in capital assets	46,049,585	43,249,443	89,299,028
Restricted:			
Net Pension Asset	1,598,713	-	1,598,713
Capital projects	673,248	-	673,248
Construction	-	1,519,702	1,519,702
Debt service	78,563	1,451,977	1,530,540
Transportation	1,873,178	-	1,873,178
Public Safety	933,962	-	933,962
Natural and Economic	575,226	-	575,226
Culture and Recreation	1,487,962	-	1,487,962
Unrestricted	1,455,649	21,649,644	23,105,293
Total Net Position	<u>\$ 54,726,086</u>	<u>\$ 67,870,766</u>	<u>\$ 122,596,852</u>

The notes to the financial statements are an integral part of this statement.



# CITY OF ELLENSBURG, WASHINGTON

## Statement of Activities

For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities</b>							
General government	\$ 5,165,477	\$ 3,320,740	\$ 556,470	\$ 416,562	\$ (871,704)	\$ -	\$ (871,704)
Public safety	5,498,255	162,745	321,234	-	(5,014,275)	-	(5,014,275)
Transportation	4,739,701	793,962	-	1,962,889	(1,982,850)	-	(1,982,850)
Social Services	190,583	51,255	-	-	(139,327)	-	(139,327)
Natural and Economic	1,967,177	695,654	-	-	(1,271,523)	-	(1,271,523)
Culture & recreation	3,848,303	775,020	5,153	-	(3,068,131)	-	(3,068,131)
Interest on long-term debt	147,107	-	-	-	(147,107)	-	(147,107)
Total governmental Activities	<u>21,556,604</u>	<u>5,799,376</u>	<u>882,858</u>	<u>2,379,452</u>	<u>(12,494,917)</u>	<u>-</u>	<u>(12,494,917)</u>
<b>Business-type Activities</b>							
Telecommunications	236,554	249,893	97,277	-	-	110,616	110,616
Stormwater	718,819	948,514	73,044	73,284	-	376,023	376,023
Gas	6,710,483	6,981,934	-	-	-	271,452	271,452
Light	16,014,709	16,727,023	-	-	-	712,314	712,314
Water	3,746,707	4,613,695	-	533,434	-	1,400,423	1,400,423
Sewer	3,537,169	4,004,056	-	319,778	-	786,665	786,665
Total business-type activities	<u>30,964,441</u>	<u>33,525,115</u>	<u>170,321</u>	<u>926,497</u>	<u>-</u>	<u>3,657,493</u>	<u>3,657,493</u>
Total Primary Government	<u>\$ 52,521,044</u>	<u>\$ 39,324,492</u>	<u>\$ 1,053,179</u>	<u>\$ 3,305,948</u>	<u>(12,494,917)</u>	<u>3,657,493</u>	<u>(8,837,425)</u>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes					2,822,898	-	2,822,898
Property taxes, levied for debt service					173,343	-	173,343
Sales & use taxes					8,442,849	-	8,442,849
Other taxes					3,629,613	-	3,629,613
Investment earnings					142,574	241,681	384,255
Gain (loss) in change of fair value					25,753	(79,833)	(54,081)
Miscellaneous					277,796	33,626	311,421
Disposition of capital assets(gain)					38,516	-	38,516
Transfers					(15,000)	15,000	-
Total general revenues and transfers					<u>15,538,342</u>	<u>210,474</u>	<u>15,748,814</u>
Change in net position					<u>3,043,424</u>	<u>3,867,966</u>	<u>6,911,390</u>
Net position - beginning					51,309,961	64,136,897	115,446,858
Prior period adjustments					372,701	(135,652)	237,049
Net position - ending					<u>\$ 54,726,086</u>	<u>\$ 67,870,766</u>	<u>\$ 122,596,851</u>

The notes to the financial statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

Unlike Government-Wide Financial Statements that report on the City as a whole, Fund Financial Statements focus on the individual major funds of the City.

- Balance Sheet- Governmental Funds
- Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds
- Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- General Fund and Arterial Street Fund
- Statement of Fund Net Position- Proprietary Funds
- Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds
- Statement of Cash Flows- Proprietary Funds
- Statement of Fiduciary Net Position- Fiduciary Funds
- Statement of Changes in Fiduciary Net Position- Fiduciary Funds

## MAJOR GOVERNMENTAL FUNDS

**General Fund**- Classified as a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund includes our regular General Fund, Ellensburg Public Transit, Sales Tax, Police Vehicles, EUREDRAF and Special Projects Funds. See page 21.

**Arterial Street**- This fund accounts for maintenance of transportation improvements within the public right of way and the construction of streets, bridges, trails, and traffic signals. The majority of the revenue in this fund is from the receipt of grant revenues and fuel excise tax revenue restricted for the maintenance and construction of the City's streets. This fund includes regular Arterial Street and Street Fund. See page 21.

## MAJOR ENTERPRISE FUNDS

**Gas Fund**- This fund accounts for the activities of the City's gas distribution operations. The major source of revenue is the charges for the sale of gas and the bulk of its expenses are the purchase of gas for resale.

**Electric Fund**- This fund accounts for the activities of the City's electric distribution operations. The major source of revenue is the sale of electricity and a major part of its expenses are the purchase of power from entities like Bonneville.

**Water Fund**- This fund accounts for operations that provide goods or services to the general public for receiving water services and are supported primarily through user charges.

**Sewer Fund**- This fund accounts for the activities of the City's sewer treatment plant, sewer pumping station, and collection system. The fund is supported through service charges.

# City of Ellensburg, Washington

## Balance Sheet

Governmental Funds

December 31, 2017

	General Fund*	Arterial Street**	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,286,218	\$1,869,536	\$5,347,843	\$10,503,597
Deposits with other agents	-	-	450,803	450,803
Investments	2,732,740	348,783	1,121,430	4,202,953
Receivables (net)				
Property Taxes	162,030	-	5,827	167,857
Accounts	186,547	3,605	17,720	207,871
Due from other funds	3,156	86,582	-	89,739
Due from other governments	895,435	37,096	507,980	1,440,510
Inventory	-	39,228	-	39,228
<b>Total Assets</b>	<b>7,266,126</b>	<b>2,384,830</b>	<b>7,451,603</b>	<b>17,102,559</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>7,266,126</b>	<b>2,384,830</b>	<b>7,451,603</b>	<b>17,102,559</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	63,153	125,579	411,294	600,026
Wages and benefits payable	323,844	27,705	30,359	381,908
Due to other funds	34,087	4,410	65,137	103,634
Due to other governments	171,432	46,188	11,291	228,911
Other liabilities	175,079	-	-	175,079
Interfund Loan	1,269,657	-	-	1,269,657
<b>Total Liabilities</b>	<b>2,037,251</b>	<b>203,883</b>	<b>518,081</b>	<b>2,759,215</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-taxes	643,540	-	276,109	919,649
<b>Total Deferred Inflows of Resources</b>	<b>643,540</b>	<b>-</b>	<b>276,109</b>	<b>919,649</b>
<b>FUND BALANCE</b>				
Nonspendable	-	39,228	-	39,228
Restricted	-	-	5,622,139	5,622,139
Committed	-	-	173,473	173,473
Assigned	57,104	2,141,719	861,801	3,060,623
Unassigned	4,528,230	-	-	4,528,230
<b>Total Fund Balance</b>	<b>4,585,335</b>	<b>2,180,947</b>	<b>6,657,412</b>	<b>13,423,694</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 7,266,125</b>	<b>\$ 2,384,830</b>	<b>\$ 7,451,603</b>	<b>\$ 17,102,558</b>

\* General Fund includes Funds 001 (General Fund), 140 (Sales Tax) and 159 (Police Vehicles)

\*\* Arterial Street includes Funds 123( Arterial Street) and 120 (Street). The revenue in Arterial Street is catagorized as assigned to only be spent on street related projects.

**CITY OF ELLENSBURG**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**  
**For the Year End December 31, 2017**

The governmental funds balance sheet includes a reconciliation between fund balance in governmental funds and net position-governmental activities as reported in the government-wide statement of net position.

Fund balance of governmental funds- page 21	\$13,423,694
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The Internal Service Health and Benefit Fund (\$1,329,642) is used to charge the cost of health benefits. The assets and liabilities of this fund is included in the government activities column on the government wide statement of net position. In addition, the net effect of the intergovernmental revenue is removed from the fund balance. (\$10,698 for 2017).	1,329,642
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Liabilities that are not due and payable in the current period are therefore not reported in the governmental funds balance sheet but are reported on the government wide statement of net position (page 17)

Bonds Payable (Page 7X7)	2,971,200
OPEB Liability	3,844,829
Compensated Absences	925,557
Bond Issuance Premium	111,395
Accrued Interest on Bonds	10,327

Net adjustment to reduce fund balance - total of governmental funds to fet position of governmental funds	(7,863,309)
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The reporting of net investment in capital assets for governmental activities are not financial resources and therefore are not reported in the funds. The detail of this \$49,012,249 difference is as follows: (page 1X7)

Land	12,916,437
Infrastructure	28,761,918
Building	5,055,370
Improvements	1,739,759
Machinery & Equipment	232,408
Construction in Progress	306,357
Net Adjustment to increase fund balance-total governmental funds to net position governmental funds	49,012,249

Other longterm assets are not available to be collected in current period revenues and therefore are deferred in the funds (deferred property tax \$162,030 and unavailable revenue sales Taxes \$757,620 (page 21)	919,650
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The net pension asset is not an available resource and therefore is not reported in the funds) (page 17)	1,598,713
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Internal Service funds are used by management to charge the cost of ER&R, Management Information Systems(IT), Health Benefits and Risk Management to individual funds. The asset and liabilities of the internal service funds of ER&R,IT, and Risk Management are included in the governmental activities in the statement of net position. From 2010 - 2014, the net profit for internal service funds were allocated out to different activities based on the percentage of support (page 49). In 2015, the City made a change in accounting method to follow BARS 4.3.6.20 to report Health fund solely as a governmental activity.	437,900
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GASB 68 adjustments	
Contributions to the pension plan in the current fiscal year are deferred outflows of resources	951,395
Pension Liability	(4,143,386)
Pension related deferrals are inflows of resources	(940,463)
Net Adjustment to decrease fund balance-total governmental funds to net position governmental funds.	(4,132,454)

Net Position of Governmental Activities (page 17)	\$54,726,086
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The notes to the financial statements are an integral part of this statement

# City of Ellensburg, Washington

## Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2017

	General Fund*	Arterial Street**	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 2,845,497	\$ -	\$ 173,840	\$ 3,019,337
Retail sales & use taxes	5,330,342	-	2,795,819	8,126,162
Other taxes	3,240,882	-	388,732	3,629,613
Licenses and permits	744,927	4,257	-	749,184
Intergovernmental	445,658	2,402,509	2,093	2,850,260
Charges for services	3,696,156	344,676	760,871	4,801,703
Fines & forfeits	223,358	-	2,075	225,432
Investment earnings	64,393	16,836	48,791	130,020
Net change in fair value of investment	(23,387)	(2,812)	54,162	27,963
Miscellaneous	187,639	5,162	20,597	213,397
<b>Total Revenues</b>	<b>16,755,464</b>	<b>2,770,628</b>	<b>4,246,981</b>	<b>23,773,073</b>
<b>EXPENDITURES</b>				
Current:				
General Government	4,204,817	501,358	15,579	4,721,755
Public Safety	4,548,546	-	697,398	5,245,944
Transportation	89,118	1,950,782	779,016	2,818,916
Social Services	190,583	-	-	190,583
Natural and Economic	1,298,813	-	619,623	1,918,437
Culture & Recreation	3,167,647	-	152,043	3,319,690
Debt service				
Principal	-	-	255,000	255,000
Interest and other charges	15,597	-	146,778	162,374
Capital outlay	10,320	2,561,419	149,853	2,721,592
<b>Total Expenditures</b>	<b>13,525,441</b>	<b>5,013,559</b>	<b>2,815,291</b>	<b>21,354,291</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>3,230,023</b>	<b>(2,242,931)</b>	<b>1,431,690</b>	<b>2,418,782</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	-	121,200	121,200
Insurance recovery	1,984	-	-	1,984
Disposition of capital assets	3,316	25,000	10,200	38,516
Transfers in	7,403	2,311,971	877,040	3,196,414
Transfers out	(2,625,759)	-	(585,655)	(3,211,414)
Compensation for Loss/Impairment of Capital Asset	-	-	-	-
<b>Total other financing sources &amp; uses</b>	<b>(2,613,056)</b>	<b>2,336,971</b>	<b>422,786</b>	<b>146,700</b>
<b>Net change in fund balance</b>	<b>616,967</b>	<b>94,040</b>	<b>1,854,475</b>	<b>2,565,482</b>
Fund Balances-Beginning	3,957,786	2,015,034	4,802,936	10,775,756
Prior Period Adjustment	10,582	71,873	-	82,456
<b>Fund Balances-Ending</b>	<b>\$ 4,585,335</b>	<b>\$ 2,180,947</b>	<b>\$ 6,657,412</b>	<b>\$ 13,423,693</b>

\* General Fund includes Funds 001 (General Fund), 140 (Sales Tax), and 159 (Police Vehicles)

\*\* Arterial Street includes Funds 123 (Arterial Street) and 120 (Street). The revenue in Arterial Street is categorized as assigned to only be spent on street related projects.

**CITY OF ELLENSBURG**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year End December 31, 2017**

Amounts reported for governmental activities in the statement of activities are different because of the following reconciling items:

Net Change in fund balance-total governmental funds (page 23) **\$2,565,482**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Capital Outlay	2,721,592	
Depreciation Expense	(2,741,779)	
		<b>(20,187)</b>

The net effect of various miscellaneous transactions involving capital assets i.e. gain or loss on sales, trade ins, and donations (\$217,261) is to increase net position. The following is from donated assets.

**217,261**

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The following details the net change in long-term debt as reflected in government-wide reporting

Debt Issued or Incurred		(121,200)
OPEB Liability		(443,490)
Net Pension Liability/Net Pension Asset		924,366
Compensated Absences		(159,263)
Other Finance Sources, Uses, and expenditures resulting from debt issuance		
Bond Payments (Includes Refunded Amounts)	255,000	
Amortization of premiums	14,452	
Accrued Interest	815	
Debt Related Cost		270,267
Net effect of Long-term Debt		<b>470,680</b>

Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the fund statements (current year deferred sales and property tax).

**728,700**

GASB 68 related transactions involving change in pension assets, adjustments to pension expense and LEOFF 2 Intergovernmental Revenues in the statement of activities that do not provide current financial resources are not recorded as transactions in the fund statements.

GASB 68 Deferred Outflows		(274,598)
GASB 68 Deferred Inflows		(863,069)
		<b>(1,137,667)</b>

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue is reported with the governmental activities. The net profit for internal service funds were allocated out to different activities based on the percentage of support.

219,156

Change in net position of governmental activities (page 18) **\$3,043,424**

The notes to the financial statements are an integral part of this statement

# City of Ellensburg, Washington

## General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget- General Fund		Actual	*Other Funds	Total
	Original	Final			
<b>REVENUES:</b>					
Property taxes	\$ 2,906,388	\$ 2,906,388	\$ 2,845,497	\$ -	\$ 2,845,497
Retail sales & use taxes	343,490	343,490	435,107	4,895,235	5,330,342
Other taxes	3,054,140	3,054,140	3,240,882	-	3,240,882
Licenses and permits	684,050	684,050	744,927	-	744,927
Intergovernmental	401,035	401,035	445,658	-	445,658
Charges for services	3,844,500	3,844,500	3,696,156	-	3,696,156
Fines & forfeits	284,300	284,300	223,358	-	223,358
Investment earnings	20,000	20,000	51,358	13,035	64,393
Net change in fair value of investment	-	-	(17,422)	(5,965)	(23,387)
Miscellaneous	178,573	184,627	187,639	-	187,639
<b>Total Revenues</b>	<b>11,716,476</b>	<b>11,722,530</b>	<b>11,853,159</b>	<b>4,902,305</b>	<b>16,755,464</b>
<b>EXPENDITURES:</b>					
Current:					
General Government					
City General	667,623	582,847	551,136	-	551,136
Finance	1,825,247	1,853,575	1,724,785	-	1,724,785
Managers	1,020,100	1,020,100	976,492	-	976,492
Engineering	996,347	1,047,361	952,403	-	952,403
<b>Total General Government</b>	<b>4,509,317</b>	<b>4,503,883</b>	<b>4,204,817</b>	<b>-</b>	<b>4,204,817</b>
Security of Person and Property					
City General	419,518	419,518	417,000	-	417,000
Police	4,494,658	4,500,689	4,087,467	44,080	4,131,546
Community Development	-	-	-	-	-
<b>Total Security of Person and Property</b>	<b>4,914,176</b>	<b>4,920,207</b>	<b>4,504,466</b>	<b>44,080</b>	<b>4,548,546</b>
Transportation					
City General	86,120	124,470	86,120	-	86,120
Finance	3,328	3,328	2,998	-	2,998
<b>Total Transportation</b>	<b>89,448</b>	<b>127,798</b>	<b>89,118</b>	<b>-</b>	<b>89,118</b>
Natural and Economic					
City General	128,287	128,287	76,200	-	76,200
Police	237,628	242,046	221,444	-	221,444
Community Development	1,142,977	1,152,236	1,001,169	-	1,001,169
<b>Total Natural and Economic</b>	<b>1,508,892</b>	<b>1,522,569</b>	<b>1,298,813</b>	<b>-</b>	<b>1,298,813</b>
Social Services					
City General	4,395	4,395	8,683	-	8,683
Parks and Recreation	159,807	181,670	181,899	-	181,899
<b>Total Social Services</b>	<b>164,202</b>	<b>186,065</b>	<b>190,583</b>	<b>-</b>	<b>190,583</b>
Culture & recreation					
City General	3,520	3,520	1,805	-	1,805
Parks and Recreation	2,213,093	2,238,173	2,172,740	-	2,172,740
Library	1,102,094	1,121,912	993,101	-	993,101
<b>Total Culture and Recreation</b>	<b>3,318,707</b>	<b>3,363,605</b>	<b>3,167,647</b>	<b>-</b>	<b>3,167,647</b>



Debt Service					
Principal	290,000	290,000	-	-	-
Interest and other charges	15,597	15,597	15,597	-	15,597
Transfer out	-	-	-	-	-
Total Debt Service	<u>305,597</u>	<u>305,597</u>	<u>15,597</u>	<u>-</u>	<u>15,597</u>
Capital outlay					
General	-	-	10,320	-	10,320
Total Expenditures	<u>14,810,339</u>	<u>14,929,724</u>	<u>13,481,361</u>	<u>44,080</u>	<u>13,525,441</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,093,864)</u>	<u>(3,207,194)</u>	<u>(1,628,203)</u>	<u>4,858,225</u>	<u>3,230,023</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Insurance recoveries	-	-	1,984	-	1,984
Disposition of capital assets	-	-	-	3,316	3,316
Transfers in	2,025,000	2,025,000	2,007,403	-	2,007,403
Transfers out					
City General	-	-	-	(4,610,759)	(4,610,759)
Parks and Recreation		(15,000)	(15,000)	-	(15,000.00)
Total other financing sources & uses	<u>2,025,000</u>	<u>2,010,000</u>	<u>1,994,387</u>	<u>(4,607,443)</u>	<u>(2,613,056)</u>
Net change in fund balance	(1,068,864)	(1,197,194)	366,184	250,782	616,967
Fund Balance-Beginning	2,143,898	3,089,817	1,712,753	2,245,032	3,957,786
Prior Period Adjustment			10,582		10,582
Fund Balances-Ending	<u>\$ 1,075,034</u>	<u>\$ 1,892,623</u>	<u>\$ 2,089,520</u>	<u>\$ 2,495,815</u>	<u>\$ 4,585,335</u>

\* Other Funds include 140 (Sales Tax) and 159 (Police Vehicles)  
see workpaper page 128-132 for detail of budget for these funds

\*\* Transfers In and Out are reported as adopted by council on the budget to actual statement and netted together  
on the operating statement.

# City of Ellensburg, Washington

## Arterial Street Fund 123

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	*Other Funds	Total
	Original	Final			
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	4,100	4,100	4,257	-	4,257
Intergovernmental	1,813,859	2,940,359	2,099,029	303,480	2,402,509
Charges for services	-	-	56,664	288,013	344,676
Fines & forfeits	-	-	-	-	-
Investment earnings	500	500	7,259	9,577	16,836
Net change in fair value of investment	-	-	-	(2,812)	(2,812)
Miscellaneous	-	-	2,806	2,356	5,162
<b>Total Revenues</b>	<b>1,818,459</b>	<b>2,944,959</b>	<b>2,170,015</b>	<b>600,614</b>	<b>2,770,628</b>
<b>EXPENDITURES:</b>					
Current:					
General Government	-	-	400,000	101,358	501,358
Judicial Services	-	-	-	-	-
Public Safety	-	-	-	-	-
Utilities	-	-	-	-	-
Transportation	52,000	87,000	137,453	1,813,329	1,950,782
Social Services	-	-	-	-	-
Natural and Economic	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	2,614,306	4,068,849	2,561,419	-	2,561,419
Total Expenditures	2,666,306	4,155,849	3,098,872	1,914,687	5,013,559
Excess (Deficiency) of Revenues Over Expenditures	(847,847)	(1,210,890)	(928,857)	(1,314,073)	(2,242,931)
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond issue proceeds	-	-	-	-	-
Bond premiums	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-
Disposition of capital assets	-	-	25,000	-	25,000
Transfers in	669,000	1,007,997	733,712	1,578,259	2,311,971
Transfers out	-	-	-	-	-
Total Other Financing Sources & Uses	669,000	1,007,997	758,712	1,578,259	2,336,971
Net Change in Fund Balance	(178,847)	(202,893)	(170,146)	264,186	94,040
Fund Balances-Beginning	1,404,760	1,035,305	1,035,305	979,729	2,015,034
Prior Period Adjustments	-	-	66,727	5,146	71,873
Fund Balances-Ending	\$ 1,225,913	\$ 832,412	\$ 931,886	\$ 1,249,061	\$ 2,180,947

\* Other funds includes Fund 120 (Street), see page 141 for budget details

# CITY OF ELLENSBURG, WASHINGTON

Statement of Fund Net Position  
 Proprietary Funds  
 December 31, 2017

	Enterprise Funds						Internal Services Funds
	Major				Non-Major		
	Gas	Electric	Water	Sewer	Funds	Total	
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 785,218	\$ 3,086,702	\$ 1,642,602	\$ 1,285,220	\$ 741,131	\$ 7,540,873	\$ 3,393,815
Deposits with fiscal agents	-	-	-	-	-	-	75,637
Investments	997,703	1,238,007	1,898,598	1,610,816	264,986	6,010,109	2,340,550
Receivables(net)							
Accounts	1,401,390	2,388,414	448,667	486,538	128,980	4,853,989	50,317
Due from other funds	14,423	54,300	12,789	1,611	664	83,787	6,307
Due from other governments	-	45,431	1,844	-	26,240	73,515	34,149
Interfund loan receivable	-	1,269,657	-	-	-	1,269,657	941,823
Inventories	595,584	915,716	215,600	21,511	-	1,748,411	68,160
Restricted assets:							
Cash and cash equivalents	521,224	704,525	1,185,429	660,501	327,056	3,398,734	2,357,209
Total current assets	<u>4,315,542</u>	<u>9,702,752</u>	<u>5,405,529</u>	<u>4,066,197</u>	<u>1,489,056</u>	<u>24,979,075</u>	<u>9,267,968</u>
Noncurrent assets:							
Capital assets, net							
Land	124,208	522,268	105,320	32,290	940,739	1,724,825	440,725
Buildings	525,940	2,618,801	3,243,731	4,730,235	570,289	11,688,996	1,459,544
Improvements	13,296,124	22,323,218	22,058,826	15,869,928	2,939,836	76,487,931	285,163
Machinery & equipment	637,077	8,198,823	2,888,132	4,100,816	247,043	16,071,890	6,898,938
Construction In progress	30,405	332,434	34,138	353,238	402,244	1,152,458	95,883
Less accumulated depreciation	(8,852,870)	(16,815,384)	(11,665,205)	(11,764,497)	(605,795)	(49,703,751)	(6,024,912)
Unamortized bond insurance premium	-	14,250	-	-	-	14,250	-
Total noncurrent assets	<u>5,760,883</u>	<u>17,194,410</u>	<u>16,664,942</u>	<u>13,322,010</u>	<u>4,494,355</u>	<u>57,436,600</u>	<u>3,155,341</u>
Total Assets	<u>10,076,424</u>	<u>26,897,161</u>	<u>22,070,471</u>	<u>17,388,207</u>	<u>5,983,411</u>	<u>82,415,675</u>	<u>12,423,309</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows debt refunding	-	-	192,440	178,779	-	371,218	-
Deferred outflows of resources pension	61,903	110,909	30,951	43,848	10,317	257,929	26,680
Total Deferred Outflows of Resources	<u>61,903</u>	<u>110,909</u>	<u>223,391</u>	<u>222,627</u>	<u>10,317</u>	<u>629,147</u>	<u>26,680</u>

**LIABILITIES**

## Current liabilities:

Accounts payable	450,735	242,053	59,275	95,879	33,899	881,841	165,507
Wages and benefits payable	118,643	162,195	46,624	71,581	17,190	416,233	87,682
Due to other funds	327	23,801	6,958	27,119	9,717	67,922	8,277
Due to other governments	56,258	890,776	94,705	8,768	10,115	1,060,622	1,220
Interfund loan payable	-	-	-	-	941,823	941,823	-
Other liabilities	7,460	34,765	15,120	8,795	539,988	606,128	-
Due within one year	36,220	325,000	579,756	191,796	11,324	1,144,096	-
Total current liabilities	<u>669,643</u>	<u>1,678,589</u>	<u>802,438</u>	<u>403,939</u>	<u>1,564,055</u>	<u>5,118,664</u>	<u>262,686</u>

## Non current liabilities:

Due in more than one year	880,812	7,515,531	4,858,983	3,527,837	290,036	17,073,199	82,958
Net pension liability	644,648	1,154,994	322,324	456,626	107,441	2,686,033	188,485
Total noncurrent liabilities	<u>1,525,460</u>	<u>8,670,525</u>	<u>5,181,307</u>	<u>3,984,463</u>	<u>397,477</u>	<u>19,759,232</u>	<u>271,444</u>

## Total Liabilities

	<u>2,195,103</u>	<u>10,349,115</u>	<u>5,983,745</u>	<u>4,388,401</u>	<u>1,961,532</u>	<u>24,877,896</u>	<u>534,129</u>
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**DEFERRED INFLOWS OF RESOURCES**

Deferred gain on refunding	-	19,925	13,586	2,783	-	36,293	-
Deferred pension inflows	83,903	150,326	41,952	59,431	13,984	349,596	58,588
Total Deferred Inflows of Resources	<u>83,903</u>	<u>170,251</u>	<u>55,537</u>	<u>62,214</u>	<u>13,984</u>	<u>385,889</u>	<u>58,588</u>

**NET POSITION**

Net investment in capital assets	4,936,747	9,925,160	11,317,016	9,700,366	4,214,813	40,094,102	3,155,341
Restricted:							
Debt service	52,115	604,525	510,518	284,818	-	1,451,977	-
Construction	469,109	-	674,911	375,682	-	1,519,702	-
Unrestricted	2,401,351	5,959,020	3,752,134	2,799,352	(196,601)	14,715,256	8,701,930
Total Net Position	<u>\$ 7,859,322</u>	<u>\$ 16,488,705</u>	<u>\$ 16,254,579</u>	<u>\$ 13,160,219</u>	<u>\$ 4,018,212</u>	<u>57,781,037</u>	<u>\$ 11,857,271</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net position of business-type activities

10,089,729  
\$ 67,870,766

**CITY OF ELLENSBURG, WASHINGTON**

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2017

	Enterprise Funds							Internal Service Funds
	Major Funds				Non-Major		Total	
	Gas	Electric	Water	Sewer	Funds			
Operating revenues:								
Charges for services	\$ 6,973,099	\$ 16,627,731	\$ 4,595,589	\$ 3,998,178	\$ 1,198,406	\$ 33,393,004	\$ 2,228,178	
Miscellaneous	8,835	99,292	18,106	5,878	-	132,112	3,777,821	
Total operating revenues	6,981,934	16,727,023	4,613,695	4,004,056	1,198,406	33,525,115	6,005,999	
Operating expenses:								
Operating expenses	5,462,948	12,346,652	1,898,762	1,660,795	724,837	22,093,993	3,738,908	
Maintenance	398,094	1,509,717	509,874	923,476	107,320	3,448,480	630,904	
Depreciation	478,854	895,367	653,266	585,601	169,885	2,782,973	483,342	
Taxes	584,320	1,386,583	692,002	451,871	14,804	3,129,580	-	
Total operating expenses	6,924,216	16,138,319	3,753,903	3,621,742	1,016,846	31,455,026	4,853,154	
Operating income	57,718	588,705	859,792	382,314	181,560	2,070,089	1,152,845	
Nonoperating revenue (expenses)								
Intergovernmental revenues	-	-	-	-	170,321	170,321	-	
Interest and investment revenue	22,807	61,849	44,288	34,487	9,312	172,744	81,490	
Net change in fair value of investment	(4,889)	(13,018)	(22,916)	(14,779)	246	(55,357)	(26,687)	
Miscellaneous revenue	-	-	-	24,484	-	24,484	-	
Interest expense	(17,071)	(239,501)	(132,521)	(87,779)	(9,023)	(485,894)	-	
Miscellaneous expense	-	(150)	(125)	(26)	-	(300)	-	
Gain/Loss on Assets	-	-	-	-	-	-	43,445	
Total nonoperating revenue (expenses)	847	(190,820)	(111,273)	(43,612)	170,857	(174,002)	98,249	
Income (loss) before contributions & transfers	58,565	397,885	748,519	338,702	352,417	1,896,087	1,251,094	
Capital contributions	-	-	533,434	319,778	73,284	926,497	-	
Transfers in	-	-	-	-	-	-	134,198	
Transfers out	-	-	-	(59,562)	(59,636)	(119,198)	-	
Change in net position	58,565	397,885	1,281,953	598,918	366,065	2,703,386	1,385,292	
Total net position - beginning	7,796,411	16,064,313	14,857,556	12,554,188	3,942,390	55,214,858	10,470,424	
Prior period adjustments	4,346	26,507	115,070	7,113	(290,243)	(137,206)	1,554	
Total net position - ending	\$ 7,859,322	\$ 16,488,705	\$ 16,254,579	\$ 13,160,219	\$ 4,018,212	57,781,037	\$ 11,857,271	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						1,164,582		
Change in net position of business-type activities (page 18)						\$ 3,867,967		

# CITY OF ELLENSBURG, WASHINGTON

## Statement of Cash Flows

### Proprietary Funds

For the Year Ended December 31, 2017

	Enterprise Funds						Internal service Funds
	Major				Non Major		
	Gas	Electric	Water	Sewer	Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 6,851,392	\$ 16,344,329	\$ 4,472,424	\$ 3,915,012	\$ 1,401,547	\$ 32,984,705	\$ 99,600
Receipts for interfund services provided	21,323	3,245	43,205	16,672	101,955	186,400	5,842,324
Payments to suppliers	(4,519,337)	(12,263,517)	(1,603,527)	(1,137,447)	(373,064)	(19,896,891)	(3,235,088)
Payment for interfund services used	(1,073,108)	(1,755,285)	(935,129)	(1,033,975)	(390,253)	(5,187,750)	(129,425)
Payments to employees	(1,242,201)	(1,772,804)	(731,039)	(1,002,831)	(250,435)	(4,999,311)	(1,013,999)
Other Operating Cash Receipts	8,835	-	18,106	-	-	26,942	1,569
Net Cash Provided by Operating Activities	46,905	555,968	1,264,040	757,431	489,751	3,114,095	1,564,981
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers in	-	-	-	-	-	-	134,198
Transfers out	-	-	-	(59,562)	(59,636)	(119,198)	-
Interfund loan receivable (payable)	-	290,000	-	-	-	290,000	(941,823)
Misc revenue	-	-	-	24,484	-	24,484	-
Net Cash Provided (Used) by Noncapital Activities	-	290,000	-	(35,078)	(59,636)	195,286	(807,625)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital contribution	-	-	466,671	278,992	-	745,663	-
Loan/grant proceeds	-	-	-	-	170,321	170,321	-
Proceeds from interfund loan	-	-	-	-	941,823	941,823	-
Proceeds from bond	-	-	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-	-	43,445
Purchases of capital assets	(381,585)	(392,479)	(585,383)	(893,230)	(1,229,048)	(3,481,725)	(634,723)
Principal paid on capital debt	(34,879)	(320,000)	(567,172)	(188,538)	(10,701)	(1,121,290)	-
Interest paid on capital debt	(165)	(282,575)	(155,648)	(91,442)	(8,371)	(538,201)	-
Debt cost on capital debt	(17,071)	-	-	-	-	(17,071)	-
Net Cash from Related Financing Activities	(433,700)	(995,054)	(841,532)	(894,218)	(135,976)	(3,300,480)	(591,278)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sales and maturities of investments	872,251	500,205	258,603	364,714	-	1,995,773	1,310,474
Investment purchases	(1,534,866)	(1,251,230)	(1,018,919)	(1,141,838)	(30,617)	(4,977,470)	(2,474,140)
Interest and dividends	22,807	61,849	44,288	34,487	10,551	173,982	81,490
Net Cash Provided (Used) by Investing Activities	(639,808)	(689,176)	(716,028)	(742,637)	(20,066)	(2,807,714)	(1,082,176)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,026,603)	(838,261)	(293,519)	(914,502)	274,073	(2,798,813)	(916,097)
Balances - Beginning of the Year	2,328,699	4,602,981	3,006,480	2,853,110	794,114	13,585,384	6,741,204
Prior period adjustment	4,346	26,507	115,070	7,113	-	153,037	1,554
Balances - End of the Year	\$ 1,306,442	\$ 3,791,227	\$ 2,828,031	\$ 1,945,721	\$ 1,068,187	\$ 10,939,608	\$ 5,826,662

**Reconciliation of operating income  
(loss) to net cash provided  
(used) by operating activities:**

Operating income (loss)	\$ 57,718	\$ 588,705	\$ 859,792	\$ 382,314	\$ 181,560	\$ 2,070,089	\$ 1,152,845
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	478,854	895,367	653,266	585,601	169,885	2,782,973	483,342
Change in assets and liabilities:							
Receivables, net	(101,020)	(326,918)	(78,593)	(72,704)	(13,747)	(592,982)	(50,245)
Due from other funds	637	(9,048)	477	332	4,210	(3,392)	13,841
Due from other governments	-	(43,484)	(1,844)	-	314,633	269,306	(31,039)
Inventories	(41,499)	(65,886)	(32,014)	113	-	(139,286)	(2,023)
Accounts and other payables	(318,747)	(1,128,280)	(187,907)	(56,799)	(118,606)	(1,810,339)	(17,124)
Due to other funds	(24)	21,571	(1,665)	1,365	9,564	30,811	(236)
Due to other governments	56,258	890,776	94,705	8,768	10,115	1,060,622	1,220
Employee benefits	80,308	70,963	29,134	41,989	9,477	231,871	52,600
Deferred outflows of resources	91,194	163,389	45,597	64,596	15,199	379,975	17,531
Deferred inflows of resources	68,499	122,727	34,249	48,520	11,416	285,412	54,140
Net pension liability	(325,273)	(623,915)	(151,157)	(246,664)	(103,957)	(1,450,966)	(109,871)
Net Cash Provided by Operating Activities	<u>\$ 46,905</u>	<u>\$ 555,968</u>	<u>\$ 1,264,040</u>	<u>\$ 757,431</u>	<u>\$ 489,751</u>	<u>\$ 3,114,095</u>	<u>\$ 1,564,981</u>

**Noncash Investing, capital, and financing  
activities:**

Contributions of capital assets	-	-	66,763	40,786	73,284	-
Increase in fair value of investments	(4,889)	(13,018)	(22,916)	(14,779)	(1,238)	-

The contribution of capital assets under noncash investing, capital and financing activities is from donated assets

# City of Ellensburg, Washington

## Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2017

	<u>Fire Relief and Pension Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash	\$ 399,174	\$ 190,557
Investments	32,071	-
Receivable (Net)	-	4,705
Special Assessments	-	112,033
Total Assets	<u>431,245</u>	<u>307,295</u>
<b>LIABILITIES</b>		
Accounts Payable	-	-
Notes Payable		112,033
Other Liabilities	1,645	195,262
Total Liabilities	<u>1,645</u>	<u>307,295</u>
<b>NET POSITION</b>		
Net Pension Restricted for Pensions - Ending	429,600	
Total Net Position	<u>\$ 429,600</u>	<u>\$ -</u>

The notes to financial statements are an integral part of this statement.



# City of Ellensburg, Washington

## Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2017

	<b>Fire Relief and Pension Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	141,081
State	20,821
Total Contributions	<u>161,902</u>
Investment Earnings:	
Interest	3,510
Net Change in Fair Value of Investment	(110)
Total Investment Earnings	<u>3,400</u>
Total Additions	<u>165,301</u>
<b>DEDUCTIONS</b>	
Benefits	109,296
Administrative Expenses	11,725
Total Deductions	<u>121,021</u>
<b>CHANGE IN NET POSITION</b>	44,280
Net Pension Restricted for Pensions - Beginning	385,320
Net Pension Restricted for Pensions - Ending	429,600
Total Net Position	<u><u>429,600</u></u>

The notes to financial statements are an integral part of this statement.

**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

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**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

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**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Ellensburg have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

The City of Ellensburg voters elect seven Council members on a non-partisan basis to serve overlapping 4-year terms. The council is the legislative body and has a quasi-judicial role dealing with land use matters. Every two years, the body elects one of its members to serve as Mayor. The Council appoints a City Manager that is responsible for the day-to-day operations of the City.

**A. Reporting Entity**

The City of Ellensburg was incorporated on November 26, 1883 and operates under the laws of the state of Washington applicable to a Noncharter Code City. As required by the generally accepted accounting principles the financial statements present City of Ellensburg, the primary government and its component units. At this time, there are no component units to report.

The City is a general-purpose government and provides public safety, animal control, street improvement, transit services, parks and recreation, library services, planning and zoning, and general administration. In addition, the City owns and operates the following utilities: telecommunications, gas, electric, water, stormwater and wastewater collection and treatment. The accompanying financial statements present the government entity for which the government is considered to be financially accountable.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's gas, water, electric, and sewer functions and other activities of the government. Elimination of these

**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

charges would distort the direct cost of program revenue reported for the various functions concerned. Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

**General Fund** - The general fund is the operating fund of the City. It accounts for all financial resources of general government, except those required or elected to be accounted for in another fund. This fund includes the City's budgeted General Fund (001), Sales Tax fund (140), and Police Vehicles (159).

**Arterial Street Fund** - This fund accounts for maintenance of transportation improvements within the public rights of way and the construction of streets, bridges, trails, and traffic signals. The majority of the revenue in this fund is from the receipt of grant revenues and fuel excise tax revenue restricted for the maintenance and construction of the City streets. This fund includes the City's budgeted Arterial Street (123) and Street (120).

The City reports the following major proprietary funds:

**Gas Fund** - This fund accounts for the activities of the City's gas distribution operations. The major source of revenue is the sale of gas and the bulk of its expenses are the purchase of gas for resale and labor to main gas lines and meters.

**Electric Fund** - This fund accounts for the activities of the City's electric distribution operations. The major source of revenue is the sale of electricity and the majority of the expenses are the purchase of power and labor to maintain assets.

**Water Fund** - This fund accounts for the activities of the City's water pumping and distribution operations. The source of revenue is the sale of water and the expenses are water pumping, storage, and purification costs.

**Sewer Fund** - This fund accounts for the activities of the City's sewer treatment plant, sewer pumping station, and collection system. The fund is supported through service charges and the expenses are costs comprised of labor and materials for repairs and maintenance.

Additionally, the City reports the following fund types:

**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

**Special Revenue Funds-** These funds account for revenue from specific taxes or other earmarked revenue sources that by law are designed to finance particular functions or activities of the city.

**Traffic Impact Fees-** A fund used to account for the use of traffic impact fees that is to be used for new growth and development.

**Ellensburg Public Transit-** A fund used to account for the monies derived from a voter approved 2/10 of one percent retail sales tax and the use thereof.

**Criminal Justice Fund-** A fund used to account for the 3/10 of one percent sales taxes to be spent on criminal justice activities.

**Drug Fund-** A fund used to account for the monies derived from the forfeiture of property in connection with drug investigations.

**CATV-** A fund used to account for the University operation of the Ellensburg Community Television station.

**CATV Capital Outlay-** A fund used to account for the maintenance and purchase of capital expenditures relating to the CATV fund. In 2017 the fund balance was transferred to CATV with the approval of City Council.

**Park Acquisition-** A fund used to account for the maintenance and construction of path and trail development, and the acquisition of new parks.

**Art Acquisitions-** A fund established in 2016 to fund public art acquisition and promotion.

**Lodging Tax-** A fund used to account for the use of lodging tax revenue.

**C.H.I.P Reserve-** A fund used to account for activities relating to CDBG guidelines. In 2017 the fund balance was transferred to the General Fund with the approval of City Council.

**Debt Service Funds-** These funds account for the resources accumulated for the payment of interest and principal on long-term general obligation debt of governmental funds.

**G.O. Maintenance Bond (2010) -** A fund used to account for the payment of debt on various maintenance and capital projects through-out the city.

**G.O. Bonded Library Debt (Refunded 2014) -** A fund used to account for the payment of debt on the remodel and expansion of the City of Ellensburg Library.

**G.O. Facilities Capital (2017) -** A fund used to account for the payment of debt on the Capital Improvements for Governmental facilities.

**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

**Capital Projects Funds**- These funds account for financial resources used for the construction and acquisition of major capital facilities other than those financed by special assessments or proprietary funds.

**Facility Capital** - A fund used to account for 2017 G.O. Bonds issued for the purpose of providing funds necessary to pay for the cost of renovating and upgrading the Public Safety building and other various capital projects.

**Capital Projects** - A fund used to account for the purchase of regional and local general government capital outlays.

**Sidewalk Construction** - A fund used to account for the repairing of sidewalks in the City's residential areas and Central Business District.

**Internal Service Funds** - These funds account for operations that provide goods or services to other departments or funds of the City or to other governmental units on a cost-reimbursement basis. The Equipment Rental and Revolving (ER&R), IT and Risk Management Fund are predominantly used by enterprise funds. Therefore, based on GASB 34 paragraph 62, the internal service funds residual assets and liabilities should be reported in the business-type activities column of the statement of net position. The Health and Benefits Fund is predominantly used by governmental funds therefore the assets and liabilities of the Health and Benefit Fund should be reported in the governmental-type activities.

**Pension Trust Funds** – This fund accounts for the activities of the Firefighters' Pension Fund (RCW 41.16.050), which accumulates resources for pension benefit and postemployment health care benefit payments to qualified public safety employees

**Agency Funds** - The City of Ellensburg has three agency funds. Agency Funds account for assets held by the City as an agent for private individuals or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of operations. The City has three Agency Funds: LID Guarantee, LID, and Intergovernmental Custodial.

**C. Measurement focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 30 days of the end of the current fiscal period. The City considers property taxes as available if they are collected within 30 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of storm water, water, sewer, gas, and light are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **D. Budgets and Budgetary Accounting**

##### **(1) Scope of Budget**

Appropriated budgets are adopted on a biennial schedule for the general and special revenue funds on a modified accrual basis of accounting and for all proprietary funds on the accrual basis of accounting. There are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for annually budgeted governmental funds only. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. Since these funds are not required to be budgeted on an annual basis, budgetary comparisons are not presented. NCGA Statement 1 does not require, and the financial statements do not present, budgetary comparisons for proprietary fund types.



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Appropriated budgets are adopted at the level of the fund and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class.

**(2) Amending the Budget**

The City Manager is authorized to transfer budgeted amounts within an approved amount; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council by a supplemental appropriation ordinance (in accordance with biennial budget requirements).

When the City determines that it is in the best interest of the city to increase or decrease the appropriation for a particular fund and/or department, it may do so by ordinance approved by one more than the majority after holding public hearing(s).

All appropriations expire at the end of the fiscal year and must be re-appropriated for the next fiscal year. Encumbrances are integrated into the accounting system but are not reported in the financial statements.

The governmental financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

**(3) Excess of Expenditures over Appropriations**

For the year ended December 31, 2017, in no fund did expenditures exceed appropriations. In 2017, the fund balance (\$7,402.53) was transferred to the General Fund without having a specific line item transfer amount. The authority was included in Ordinance No. 4782.

**E. Assets, Liabilities, Fund Balance, Net Position**

**(1) Cash and Equivalents**

It is the City's policy to invest all temporary cash surpluses. At December 31, 2017, the treasurer was holding \$27,720,669 in short-term residual investments of surplus cash and deposits with fiscal agents. This amount is classified on the Statement of Net Position as cash and equivalents in various funds. The interest on these investments is prorated to the various funds.

The amounts reported as cash and cash equivalents also includes a compensating balance maintained with U.S. Bank in lieu of payments for services rendered. The average compensating balance maintained during 2017 was approximately \$3,191,892.

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For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents (See Note 3).

The City's deposits are entirely covered by federal depository insurance (FDIC and FSLIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

**(2) Deposits and Investments - See Note 3**

**(3) Receivables**

Taxes receivable consists of property taxes and related interest and penalties (See Note 4). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties. Deferred assessments on the fund financial statements consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2017, the balance of special assessments receivable was \$111,655. The special assessments are not with government commitment; therefore, they are reported in the LID Agency Funds. Special Assessments are reported in fiduciary funds and therefore are not included in the Government-Wide Statements.

Customer accounts receivable consists of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open accounts from private individuals or organizations for goods and services rendered.

**(4) Amounts Due to and from Other Funds and Governments, Interfund Loans, and Advances Receivable**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to either as interfund loans receivables/payables or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Interfund Balances and Transfers Note 12.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**(5) Inventories**

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are-consumed. The

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reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary.

Inventories in proprietary funds are valued by the weighted average method, (which approximates the market value).

**(6) Restricted Assets**

These accounts contain resources for construction and debt service including current and delinquent special assessments receivable in enterprise funds. The current portion of related liabilities is shown as Payables from Current Restricted Assets. Specific debt service reserve requirements are described in (Long-Term Debt Note 8).

The restricted assets of the enterprise funds are composed of the following:

Cash and Investments - Debt Service	1,451,977
Cash and Investments - Construction	<u>1,519,702</u>
Total Restricted Assets	<u>\$ 2,971,679</u>

**(7) Capital Assets and Depreciation**

**General Policies**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure capital assets worth individual or system cost of \$50,000 or more are also capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Cost for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

Assets are placed in service when they are ready and available for their intended use. The cost for normal maintenance and repairs are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building/Improvements	20-50
Infrastructure	25-50
Machinery and Equipment	4-45
Vehicles	5-12
Land Improvements	25-50

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**(8) Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualifies for reporting in this category. One is the deferred gain on refunding reported in the government-wide statement of net position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second, pension, is the recognition of the adjustments to prior and current year contributions to satisfy the requirements in GASB Statement No. 68. The adjustment will be amortized over 4.4 years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet and the business activity statements. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The business type reports unavailable revenues from one source, a deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third is the recognition of the net effect of the change in proportion on beginning reported balances to prior and current year contributions to satisfy the requirements in GASB Statement No. 68. Deferred inflows account for the difference between expected and actual earnings.

**(9) Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation paid time off (PTO) and sick leave. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employees' resignation or retirement.) All vacation and sick pay is accrued at year end in the government-wide, proprietary, and fiduciary fund financial statements. In government-wide statements, all governmental funds compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability in the fund that will pay for them. In proprietary funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

Vacation pay, which may be accumulated up to a maximum of 30 days, is payable upon resignation, retirement, or death. PTO has a maximum accumulation dependent upon years of service. Sick leave may accumulate indefinitely. Fifty percent of a maximum of 960 hours of

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outstanding sick leave is payable upon resignation, retirement, or death to those employees hired prior to July 1, 1985. As of December 31, 2017, we have 3 employees employed prior to July 1<sup>st</sup>, 1985. They have a total of 5,318 hours accumulated of which 1,440 hours is compensable at the current rate. Employees hired after July 1, 1985, do not receive a payout for outstanding sick leave upon resignation, retirement, or death.

**(10) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and the Fire Relief and Pension Fund, (a single employer defined benefit plan of which the City of Ellensburg is the administrator), and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems, or in the case of the Fire Relief and Pension Fund, the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Leoff's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable. Investments are reported at fair value. The City has elected to calculate information of an actuarial nature using the alternative measurement method permitted by GASB Statement 45 for plans with fewer than one hundred employees.

**(11) Other Liabilities**

This account consists of interest payable and other miscellaneous payables such as excise tax payable.

**(12) Long-term Debt** - See Note 8

**(13) Fund Balance Classification**

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Non-spendable- The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted- Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

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Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purpose specified by the legislation.

Fund	Amount Restricted	Reason for Restriction
Traffic Impact (125)	\$ 1,235,347	Restricted by third party (state law), revenue must be used for traffic purposes
Transportation Benefit District (127)	\$ 637,831	Restricted by third party (voted sales tax revenue, restricted by law), revenue must be used for public transportation
Criminal Justice (130)	\$ 917,087	Restricted by third party (voted sales tax revenue, restricted by law), revenue must be used for public safety purposes
Drug (137)	\$ 16,875	Restricted by third party (state law), revenue must be used for public safety drug investigation purposes
Park Acquisition (160)	\$ 672,348	Restricted by third party (state law), revenue must be used for the development of parks
Lodging Tax (165)	\$ 575,226	Restricted by third party (state law), revenue must be used for expenditures relating to tourism
Library Construction (230)	\$ 78,563	Restricted by third party (voted on by citizens), revenue must be used for the repayment of debt
Facility Capital (340)	\$ 77,972	Restricted by bond covenant
Sidewalk Improvements (366)	\$ 595,276	Restricted by third party (state law), revenue must be used for sidewalk developments
Library Trust (605)	\$ 294,815	Restricted by third party (restricted donations), revenue must be used for the purpose of library operations
Hal Holmes Trust (621)	\$ 520,798	Restricted by third party (restricted donations), governed by a separate board, revenue must be used for the purpose of Hal Holmes and Library facilities
<b>Total Restricted</b>	<b>\$ 5,622,139</b>	<b>Total Amount Restricted</b>

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance in that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with

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appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue: therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The City does not have a formal policy for authorizing the assignment of resources. The City uses the natural flow of revenue which implies the City will use restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available.

The flow assumption of the City is to reduce restricted amounts first, followed by committed, and then assigned and lastly unassigned.

**(14) Minimum Fund Balance**

It is essential that the City maintain adequate levels of unrestricted fund balance to mitigate current and future risks and ensure stable tax rates. As such, unrestricted ending fund balances, excluding contingency and cumulative reserve funds, for the operating funds (all funds except Debt, Capital, and proprietary funds) will have a targeted minimum of 15% of operating expenditures in unrestricted ending fund balance. Proprietary funds, such as utility funds and internal service funds will maintain a targeted minimum unrestricted ending fund balance of two months operating expenses in addition to all other legally required reserves.

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position**

The governmental funds' balance sheet includes a reconciliation of the governmental funds balance sheet to the statement of net position. This reconciliation is necessary because of the differences in accounting basis, most significantly the differences in accounting for capital assets, debt, GASB 68 adjustment, and that portion of the Health Benefit internal service fund that is attributed to governmental activities. This information can be found on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position form on page 22.

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The proprietary funds' Statement of Net Position reports a difference in the net position balance to the Government-wide Statement of Net Position due to internal service fund activity. Internal service funds are used by management to charge the cost of certain activities to individual fund. The net profit for Health Benefit Fund before investment income, gain on sale of asset and outside revenue source \$208,813. This amount was attributed to governmental activities. The governmental fund portion was treated as an interactivity payable for the ER&R, IT and Risk Management internal service funds and as an interactivity receivable for the Health and Benefits included in the internal balance on the Government-Wide Statement of Net position.

Internal Service Fund Net Position (Page 132)	\$11,857,271
Less: Health and Benefits Fund (Adjusted for 2017 Internal Service Allocation)	(1,329,642)
Internal Service Funds Governmental-Type Activities Portion (page 22)	(437,900)
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	\$10,089,729

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds to changes in net position of governmental activities as reported in the government-wide statements of activities. Elements of the reconciliation include governmental funds reporting capital outlays as expenditures. However, in the statement of activities the cost is allocated over their estimated useful lives and reported as depreciation expense; the net effect of other transactions involving capital assets (donations); issuance, repayment, and other costs associated with the long-term debt; GASB 68 pension expense; and the net revenue of the internal service funds which are allocated to the governmental funds. This information can be found on the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities on page 24.

The proprietary funds' Statement of Revenues, Expenses, and Changes in Fund Net Position reports a difference in the net position balance to the Government-wide Statement of Activities. This information can be found on the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities on page 24.



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Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position for Internal Service Funds (page 133)	\$1,385,292
Internal Service Fund Governmental Type Activities Portion (page 24)	(219,156)
Prior Period Adjustment Internal Service Funds	<u>1,554</u>
Government-Wide Statement of Changes in Net Position for Internal Service Funds (page 30)	<u>\$1,167,691</u>

**3. DEPOSITS AND INVESTMENTS**

**A. Deposits**

As of December 31, 2017, cash on hand was \$28,310,400. The carrying amount of the city's cash deposits was \$28,310,400 and the US Bank checking balance was \$2,523,827 with in-transit debits of \$233,174. The detail is as follows:

**December 31, 2017 ending cash balances**

**CASH**

From Government Wide Balance Sheet

Cash and cash equivalents	21,438,285
Deposits with fiscal agents	526,440
Restricted assets:	
Cash and cash equivalents	5,755,943

From Fiduciary Statements

Fire Relief & Pension Fund	399,174
Agency Funds	<u>190,557</u>
Total	<u><b>28,310,400</b></u>

**CASH**

Cash accounts

LGIP	25,476,153
Petty Cash	7,845
Treasurer's Checkbook	2,290,653
Hal Holmes	450,803
Advance Travel	9,309
First Choice Health Pre Funded	<u>75,637</u>
Total	<u><b>28,310,400</b></u>

*Custodial Credit Risk*- Custodial credit risk is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City of Ellensburg's deposits are entirely covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection Commission (WPDPC). The FDIC insures the first \$250,000 of the city's deposits. The

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deposit balances over \$250,000 are insured by the WPDPC. State statute permits additional amounts to be assessed on a pro rata basis to members of the WPDPC pool in the event the pool's collateral should be insufficient to cover a loss.

**B. Investments**

Investments are stated at fair value, based on quoted market prices in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in the fair-value of investment is recognized as an increase or decrease to the investment assets and investment income.

*Interest Rate Risk-* Interest rate risk is the risk the city may face should interest rate variances affect the fair value of investments. As a means of limiting its exposure to interest rate risk, the City's investment policy requires that it diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City also invests operating funds primarily in shorter-term securities and restricts the maximum investment term to less than five years from the purchase date.

*Credit Risk-* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and City policy limit investments to those authorized by State Statute as detailed in RCW 39.59.020, RCW 39.59030, and RCW 43.84.080. Within the securities authorized by State statute, the city's investment policy further seeks to limit credit risk by concentrating the investments in the safest types of securities; pre-qualifying the financial institution, broker/dealers, intermediaries, and advisors with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized. Additionally, the investment policy requires active monitoring of the portfolio holdings for rating changes, changing economic/market conditions and any other conditions or events that might put investment holding at unnecessary risk levels.

At December 31, 2017, the city's total investments (Government Wide and Fiduciary Funds) had the following credit quality distribution for securities with credit exposure:

Investment Type	Fair Value	Ratings	
		S&P	Moody's
U.S. Agency Securites			
Federal Farm Credit Bank	3,205,670	AA+	AAA
Federal Home Loan Bank	1,491,091	AA+	AAA
Federal Home Loan Mortgage Corpotation	4,702,860	AA+	AAA
Federal National Mortgage Association	2,211,592	AA+	AAA
Resolution Funding Corporation	494,137	AA+	AAA
Subtotal	12,105,350		
U.S. Treasury Securities			
U.S. Treasury Notes	480,334	AA+	AAA
<b>Total</b>	<b>12,585,684</b>		

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*Custodial Credit Risk-* The City’s investment policy excludes certain investment activity allowed by State Statutes such as repurchase, reverse-repurchase agreements, or securities lending; therefore, no custodial credit risk exists. All investments are held in the City’s name by the City’s safekeeping bank and City policy states that all security transactions will be settled on a “delivery versus payment” basis by the safekeeping bank.

*Concentration of Credit Risk-* Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. As outlined in the City’s investment policy, the City diversifies its investments by security type and institution. 100% of the city’s portfolio may be invested in US Treasury Bills, Notes, Bonds, Certificates, State of Washington Investment Pool, US Government Agencies and Instrumentalities. 50% of the portfolio may be invested in Certificates of Deposit with no more than 10% held by any one issuer and not exceeding 5% of the issuer’s net worth. 25% of the portfolio may be invested in Prime Bankers Acceptances, Bonds of State of Washington/Local Governments, limiting to 10% per issuer. 10% of the portfolio may be invested in General Obligation Bonds issued by other states and local governments, Commercial Paper, or Other Authorized Investments (with no more than 10% per issuer).

The table below identifies the types of investments, concentration of investments in any one issuer, and maturities of the City’s investment portfolio as of December 31, 2017:

Investment Type	Fair Value	Maturities		% of Total Portfolio
		Less Than 1 Year	1 to 5 Years	
Federal Farm Credit Bank	3,205,670		3,205,670	8.32%
Federal Home Loan Bank	1,491,091	996,749	494,342	3.87%
Federal Home Loan Mortgage Corporation	4,702,860	1,993,042	2,709,818	12.21%
Federal National Mortgage Association	2,211,592		2,211,592	5.74%
Resolution Funding Corp Federal	494,137		494,137	1.28%
U.S. Treasury Notes	480,334		480,334	1.25%
<b>Subtotal</b>	<b>12,585,684</b>	<b>2,989,791</b>	<b>9,595,893</b>	<b>32.68%</b>
Local Government Investment Pool*	25,476,153	25,476,153		66.15%
Held by Trustee: Hal Holmes Memorial Trust	450,803		450,803	1.17%
<b>Total</b>	<b>38,512,640</b>	<b>28,465,944</b>	<b>10,046,696</b>	<b>100.00%</b>
<b>Percentage of Total Portfolio</b>		<b>74%</b>	<b>26%</b>	<b>100.00%</b>

\*The fair value of the investments in the Washington State Local Government Investment Pool are the same as the amortized cost of the pool shares and are considered Cash and Cash Equivalents.

*Investments in Local Government Investment Pool (LGIP)-* The City of Ellensburg is a participant the Local Government Pool authorized by Chapter 294, Laws of 1986. The LGIP is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the state that created the pool and adopts rules. The State Treasurer is

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responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP Advisory Committee.

As of December 31, 2017, the City of Ellensburg held \$25,476,153 in investments in the LGIP. Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASB 79 for external investment pool that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. The Office of the State treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

*Investments Measured at Fair Value-* The City measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liability in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

At December 31, 2017, the City had the following investments measured at fair value: The Hal Holmes Trust fund securities of \$450,803, held by Bank of America, are valued using quoted market prices (Level 1 inputs); U.S. Treasury securities of \$480,334 and the Federal Agency Securities of \$12,105,349, held by the City’s Safekeeping Operations at U.S. Bank, valued using a matrix pricing model (Level 2 inputs).

At December 31, 2017, the City had the following investments measured at fair value:

Investment by Fair Value Level	Total 12/31/2017	Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury securities	480,334		480,334	
Federal Agency securities	12,105,349		12,105,349	
Held by Trustee:	-			
Hal Holmes Memorial Trust	450,803	450,803		
<b>Total Investments measured at fair value</b>	<b>13,036,486</b>	<b>450,803</b>	<b>12,585,683</b>	-

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*Summary of Deposit and Investment Balances-* Reconciliation of City deposits and investment balances as of December 31, 2017, are as follows:

**Reconciliation of cash and investments by type to the financial statements is detailed in the following tables:**

Cash & Investments by Type

State Investment Pool (LGIP)	25,476,153
Claims checks in transit at 12/31/17	(328,372)
Payroll checks in transit at 12/31/17	(7,219)
Treasurer's checks/credits in transit at 12/31/17	(14,366)
U.S. Bank Municipal checking account end balance	2,523,826
U.S. Bank deposits/credits in transit	116,782
Petty Cash/Advance Travel/CIF	17,155
Federal Farm Credit Bank	3,205,670
Federal Home Loan Bank	1,491,091
Federal Home Loan mortgage Corporation	4,702,860
Federal National Mortgage Association	2,211,592
Resolution Funding Corp Strip Principal	494,137
U.S. Treasury Notes	480,334
Hal Holmes Memorial Trust	450,803
Health & Benefits Fund	75,637
Grand total Cash & Investments by Type	40,896,082

Cash & Investments by Fund

	Governmental	Enterprise Funds	Internal Service	Fiduciary	Total
Cash & Equivalents	10,503,597	7,540,873	3,393,815	589,731	22,028,016
Deposits with Other Agents	450,803		75,637		526,440
Restricted Cash		3,398,734	2,357,209		5,755,943
Investments	4,202,953	6,010,109	2,340,550	32,071	12,585,683
Totals	15,157,353	16,949,716	8,167,211	621,802	40,896,082

Total of all Funds

	Government Wide - All Funds	Fiduciary	Total
Cash & Equivalents	21,438,285	589,731	22,028,016
Deposits with Other Agents	526,440		526,440
Restricted Cash	5,755,943		5,755,943
Investments	12,553,612	32,071	12,585,683
Totals	40,274,280	621,802	40,896,082

*Gains and Losses on Investments-* Cash and investments are managed under the guidance of the City's Investment Policy. Safety of investment principal is the foremost objective of the City's investment program; and return on investment is of secondary importance compared to the safety and liquidity objectives of the City. Accordingly, the investment portfolio is structured to remain sufficiently liquid to meet all operating requirements that may be

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reasonably anticipated; thereby avoiding the need to sell securities on the open market prior to maturity. The majority of the portfolio is limited to highly rated/low-risk securities in anticipation of earning a fair return relative to the risk being assumed. With few exceptions, it is the City's policy that securities shall not be sold prior to maturity in order to maintain a market rate of return. For GASB 72 purposes, at year end, investments were converted to fair market value in the event of sale of investments prior to their maturity. This resulted in an unrealized loss in the overall portfolio of \$119,629. Investments held with a trustee at the Bank of America for the Hal Holmes Memorial Trust had an overall unrealized gain in fair market value of \$64,200.

#### **4. PROPERTY TAXES**

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

##### **Property Tax Calendar**

January 1	Taxes are levied and become an enforceable lien against properties.
Mid- February	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

Property tax is recorded as a receivable when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectable. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The City may levy up to \$ 3.375 per \$1,000 of assessed valuation for general governmental services, subject to three limitations:

Washington State law in RCW 84.55.010 and RCW 84.55.0101 limits the growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increases by more than 1 percent due to revaluation, the levy rate will be decreased.

Chapter 84.52 RCW establishes a limitation on the levies for ports, public utilities, state schools, emergency medical services, counties, roads, cities, and towns. All other regular levies are proportionately reduced if a composite rate of \$5.90 per thousand is exceeded. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

The City's regular levy for 2017 was \$1.982002 per \$1,000 on an assessed valuation of \$1,481,783,012 for a total regular levy of \$2,936,897. In addition, the levy for debt service on a voter approved bond issue was \$0.119205 per \$1,000 on an assessed valuation of \$1,468,047,982 for a total of \$174,999.

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**5. CAPITAL ASSETS AND DEPRECIATION**

**A. Governmental Activities Capital Assets**

Asset	Beginning Balances 1/1/2017	Increase	Decrease	Ending Balance 12/31/2017
Capital assets, not being depreciated				
Land	\$ 12,814,618	\$ 101,819		\$ 12,916,437
Construction In progress	466,883	168,681	329,208	306,357
Total	<b>13,281,501</b>	<b>270,500</b>	<b>329,208</b>	<b>13,222,794</b>
Capital assets, being depreciated				
Buildings	11,534,902	-		11,534,902
Improvements other than building	3,617,131	491,888		4,109,019
Machinery & equipment	1,148,548		151,970	996,578
Infrastructure	65,516,253	2,505,672		68,021,925
Total	<b>81,816,834</b>	<b>2,997,560</b>	<b>151,970</b>	<b>84,662,424</b>
Less accumulated depreciation for				
Buildings	6,141,993	337,538		6,479,531
Improvements other than buildings	2,247,711	276,028	154,479	2,369,260
Machinery & equipment	836,568	79,571	151,970	764,169
Infrastructure	37,056,888	2,203,120		39,260,008
Total	<b>46,283,161</b>	<b>2,896,258</b>	<b>306,449</b>	<b>48,872,969</b>
Total capital assets, being depreciated, net	<b>35,533,673</b>	<b>101,303</b>	<b>(154,479)</b>	<b>35,789,455</b>
Total	<b>\$ 48,815,174</b>	<b>\$ 371,803</b>	<b>\$ 174,729</b>	<b>\$ 49,012,250</b>

- The increase to construction in progress is due to the start of a restroom at Veterans Memorial Park, transportation projects related to streets, and the John Wayne trail project. The decrease in construction in progress is completion of projects such as 7<sup>th</sup> Ave Bike Boulevard, John Wayne Trail improvements and Vantage/Pfenning Road project.
- The increase to land is the purchase of land parcels (205 W Bender), closing costs for the land swap (Dolarway Road) and associated costs related to the Water Street Building demolition.
- The decrease to machinery and equipment includes the surplus of Police vehicles and surplus sale of a portable ADA toilet.
- Increases in Improvements includes adding an irrigation system to the Dog Park and completion of the John Wayne Trail improvement from 18<sup>th</sup> Ave. to Greenfield.
- The significant increase in Infrastructure includes the completions of Vantage Highway project, alley reconstruction, lighting replacements with LED lights, sidewalks and donated infrastructure.

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**Accumulated Depreciation & Depreciation Expense-** Depreciation expense was charged to functions/programs of the primary governments as follows:

<b>Governmental Activities</b>	<b>Amount</b>
General Government	\$222,582
Security of Person	\$59,177
Culture and Recreation	\$397,403
Transportation	\$2,062,617
Total	\$2,741,779

**Net Investment in Capital Assets**

Governmental Activities

Capital assets not being depreciated	\$ 13,222,794
Capital assets being depreciated	84,662,424
Less accumulated depreciation	(48,872,969)
Less GO Bonds	(2,971,200)
Less bond premium and accrued interest	(121,722)
Plus Bond Cash- Unspent Portion (Less Accounts Payable)	130,258
Governmental Activities, net investment in capital assets	\$ 46,049,585

**B. Proprietary Fund Capital Assets**

Capital assets of proprietary funds are capitalized in their respective balance sheets. Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property, are charged to operating and maintenance expense.

**Internal Service Fund-** Rolling stock and equipment in the Shop are depreciated using the straight-line method with useful lives of 4 to 45 years.



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<b>Business Type Assets</b>	<b>Beginning Balances 1/1/2017</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Balance 12/31/2017</b>
Capital Assets, not being depreciated				
Land	\$ 1,149,112	\$ 1,016,438	\$ -	\$ 2,165,550
Construction in progress	3,343,223	304,100	2,398,982	1,248,338
Total	<b>4,492,335</b>	<b>1,320,537</b>	<b>2,398,982</b>	<b>3,413,887</b>
Capital Assets, being depreciated				
Building	12,917,505	231,036	-	13,148,541
Improvements other than building	73,767,476	3,103,893	-	76,871,369
Machinery & equipment	21,082,534	2,040,797	250,780	22,872,552
Total	<b>107,767,515</b>	<b>5,375,726</b>	<b>250,780</b>	<b>112,892,462</b>
Less accumulated depreciation for				
Building	4,852,993	353,858		5,206,851
Improvements other than building	34,367,067	1,809,720		36,176,787
Machinery & equipment	13,493,066	1,102,735	250,780	14,345,021
Total	<b>52,713,126</b>	<b>3,266,313</b>	<b>250,780</b>	<b>55,728,659</b>
Total capital assets, being depreciated, net	<b>55,054,389</b>	<b>2,109,413</b>	<b>-</b>	<b>57,163,803</b>
Total	<b>\$ 59,546,724</b>	<b>\$ 3,429,951</b>	<b>\$ 2,398,982</b>	<b>\$ 60,577,689</b>

- The increase in land is the purchase of Dolarway/Enterprise Way property to be used for flood plain levee construction and this was funded by a Department of Ecology grant and purchase of land for future wells.
- Additions to construction in progress include the following projects: Reecer Creek levee, electrical upgrades to the Shop and the Waste Water Treatment Plant, Bull Road extension, and Illinois Well development projects. The decrease in construction in progress is the completion of the Airport Wellhouse, Vantage/Pfenning intersection, dredge pump, UV construction, and a generator and backup server placed into service in 2017 (moved from construction in progress).
- The increase in buildings is the addition of a Telecom owned Hut and a Decant Breezeway at the Shop.
- Additions to non-building improvements include: Airport Wellhouse construction, Capital/Anderson/ Main reconstruction, Vantage Hwy/Pfenning intersection, Sanders Mill East of Greenfield extension, new entrance/driveway at the shop, US 97/ University Way, Water Street service extensions, and new mains and services.
- Additions to machinery and equipment included; new meters and valves, sewer dredge pump, UV equipment, and sewer television camera, electrical station equipment, primary distribution, and electrical diagnostic tool, gas fusion machine and remote methane leak detector, IT generator and backup server, two police vehicles, backhoe/loader, turf sweeper,, salt & sand spreader and various other vehicles. The decrease in machinery and

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equipment is the surplus of various older vehicles, meters, small equipment and replacement of paving and older gas pumps retired.

**Accumulated Depreciation & Depreciation Expense-** Depreciation expense was charged to proprietary funds as follows:

Business-Type Activities	Amount
Utilities	\$2,782,973
Internal Service	\$483,340
Total	\$3,266,313

**Net Investment in Capital Assets**

Enterprise Activities

	Telecommunications	Storm Water	Gas	Electric
Capital assets	\$ 1,937,371	\$ 3,162,779	\$ 14,613,753	\$ 33,995,543
Less accumulated depreciation	(331,128)	(274,667)	(8,852,870)	(16,815,384)
Less bond payable (current and L-T)	(279,542)		(824,136)	(7,255,000)
Enterprise Activities, net investment				
in capital assets	<u>\$ 1,326,702</u>	<u>\$ 2,888,112</u>	<u>\$ 4,936,747</u>	<u>\$ 9,925,160</u>

**Net Investment in Capital Assets**

Enterprise Activities

	Water	Sewer	Equipment and Revolving	Information Services
Capital assets	\$ 28,330,146	\$ 25,086,507	\$ 8,333,993	\$ 846,260
Less accumulated depreciation	(11,665,205)	(11,764,497)	(5,371,315)	(653,597)
Less bond payable (current and L-T)	(5,347,926)	(3,621,644)		
Enterprise Activities, net investment				
in capital assets	<u>\$ 11,317,016</u>	<u>\$ 9,700,366</u>	<u>\$ 2,962,678</u>	<u>\$ 192,663</u>

Internal service funds ER&R and IT predominately serve the enterprise funds. Accordingly, capital assets for them are part of the Business Activities.

There are no intangible assets to report for 2017 based on GASB 51 which states that if the intangible asset has an indefinite life or was internally generated then the entity is not required to retro back to previous years. All intangible assets received before 2017 either have an indefinite life or were internally generated (i.e. computer software). All intangible asset received in 2017 did not meet the threshold for reporting purposes.

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**6. PENSION PLANS**

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2017:

Aggregate Pension Amounts - All Plans	
Pension Liabilities	\$ 7,017,904
Pension Assets	\$ 1,598,713
Deferred Outflows of Resources	\$ 1,236,004
Deferred Inflows of Resources	\$ 1,348,647
Pension Expense	\$ 729,451

**State Sponsored Pension Plans**

Substantially all the City’s full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
 Communications Unit  
 P.O. Box 48380  
 Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees’ Retirement System (PERS)**

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially

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reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1**-member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January - June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
<b>Total</b>	<b>11.18%</b>	<b>6.00%</b>
July - December 2017:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.70%</b>	<b>6.00%</b>

\* For employees participating in JBM, the contribution rate was 12.26%

The City's actual contributions to the plan were \$462,204 for the year ended December 31, 2017.

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a

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reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer	Employee 2*
January - June 2017:		
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
<b>Total</b>	<b>11.18%</b>	<b>6.12%</b>
July - December 2017:		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
<b>Total</b>	<b>12.70%</b>	<b>7.38%</b>

\* For employees participating in JBM, the contribution rate was 15.30% for January – June 2017  
 And 18.35% for July – December 2017

The City’s actual contributions to PERS Plan 2/3 the plan were \$629,716 for the year ended December 31, 2017.

**Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF)**

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned

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officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

**LEOFF Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2017. Employers paid only the administrative expense of 0.18 percent of covered payroll.

**LEOFF Plan 2** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

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LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January - June 2017:		
State and local governments	5.05%	8.41%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.23%</b>	<b>8.41%</b>
Ports and Universities		
Administrative Fee	0.18%	
<b>Total</b>	<b>8.59%</b>	<b>8.41%</b>
July - December 2017:		
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.43%</b>	<b>8.75%</b>
Ports and Universities		
Administrative Fee	0.18%	
<b>Total</b>	<b>8.93%</b>	<b>8.75%</b>

The City's actual contributions to the plan were \$115,899 for the year ended December 31, 2017.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2017, the state contributed \$62,155,262 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$44,346.

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* And the *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled

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Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

**Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

**Estimated Rates of Return by Asset Class**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.



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<b>Asset Class</b>	<b>Target Allocation</b>	<b>% Long-Term Expected Real Rate of Return Arithmetic</b>
Fixed Income	20%	1.70%
Tangible Assets	5%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%
	<b>100%</b>	

**Sensitivity of Net Pension Liability/(Asset)**

The table below presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>(6.5%)</b>	<b>(7.5%)</b>	<b>(8.5%)</b>
PERS 1	\$ 4,237,215	\$ 3,478,285	\$ 2,820,888
PERS 2/3	8,463,313	3,141,420	(1,219,083)
LEOFF 1	(451,474)	(608,648)	(743,625)
LEOFF 2	214,249	(990,065)	(1,971,290)

**Pension Plan Fiduciary Net Position**

Detailed information about the State’s pension plans fiduciary net position is available in the separately issued DRS financial report.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, the City reported a total pension liability of \$ 6,619,705 for its proportionate share of the net pension liabilities and \$1,598,704 of the net pension assets as follows:

	<b>Liability or (Asset)</b>
PERS 1	\$3,478,285
PERS 2/3	3,141,420
LEOFF 1	(608,648)
LEOFF 2	(990,065)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

**City of Ellensburg, Washington**  
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	<b>LEOFF 1 Asset</b>	<b>LEOFF 2 Asset</b>
Employer's proportionate share	608,648	990,065
State's proportionate share of the net pension asset associated with the employer	4,116,880	642,237
<b>TOTAL</b>	<b>4,725,528</b>	<b>1,632,302</b>

At June 30, the City's proportionate share of the collective net pension liabilities was as follows:

	<b>Proportionate Share 6/30/16</b>	<b>Proportionate Share 6/30/17</b>	<b>Change in Proportion</b>
PERS 1	0.071927%	0.073303%	0.001376%
PERS 2/3	0.087856%	0.090413%	0.002557%
LEOFF 1	0.039631%	0.040116%	0.000485%
LEOFF 2	0.069861%	0.071347%	0.001486%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2017. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2017, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2017, the state of Washington contributed 39.35 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.65 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

**Pension Expense**

For the year ended December 31, 2017, the City recognized pension expense as follows:

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	<b>Pension Expense</b>
PERS 1	\$284,305
PERS 2/3	437,800
LEOFF 1	(102,273)
LEOFF 2	36,117
<b>TOTAL</b>	<b>\$655,948</b>

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS Plan 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments		(129,800)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	235,017	
<b>TOTAL</b>	<b>\$235,017</b>	<b>(\$129,800)</b>

<b>PERS Plan 2-3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$318,300	(\$103,316)
Net difference between projected and actual investment earnings on pension plan investments		(837,427)
Changes of assumptions	33,368	
Changes in proportion and differences between contributions and proportionate share of contributions	164,833	(50,017)
Contributions subsequent to the measurement date	343,916	
<b>TOTAL</b>	<b>\$860,416</b>	<b>(\$990,760)</b>

<b>LEOFF 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments		(56,558)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
<b>TOTAL</b>	<b>\$0</b>	<b>(\$56,558)</b>

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<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$43,515	(\$37,545)
Net difference between projected and actual investment earnings on pension plan investments		(222,277)
Changes of assumptions	1,192	
Changes in proportion and differences between contributions and proportionate share of contributions	15,284	(11,743)
Contributions subsequent to the measurement date	60,308	
<b>TOTAL</b>	<b>\$120,299</b>	<b>(\$271,565)</b>

<b>TOTAL</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$361,815	(\$140,861)
Net difference between projected and actual investment earnings on pension plan investments		(1,246,061)
Changes of assumptions	34,560	
Changes in proportion and differences between contributions and proportionate share of contributions	180,117	(50,017)
Contributions subsequent to the measurement date	639,240	
<b>TOTAL</b>	<b>\$1,215,732</b>	<b>(\$1,436,939)</b>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as:

<b>Year ended</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>LEOFF 1</b>	<b>LEOFF 2</b>
<b>December 31</b>				
2018	(\$87,736)	(\$322,313)	(\$35,495)	(\$99,867)
2019	27,700	121,913	9,573	25,373
2020	(6,432)	(51,436)	(3,823)	(13,009)
2021	(63,332)	(321,877)	(26,813)	(95,317)
2022		43,241		(5,134)
Thereafter		56,213		(23,618)
<b>TOTAL</b>	<b>(\$129,800)</b>	<b>(\$474,259)</b>	<b>(\$56,558)</b>	<b>(\$211,573)</b>

**A. Single Employer Defined Benefit Plan**

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Pension Amounts - Firefighter Pension Fund	
Pension Liabilities	\$ 398,200
Pension Assets	\$ -
Deferred Outflows of Resources	\$ 20,272
Deferred Inflows of Resources	\$ -
Pension Expense	\$ -

The City is also the administrator of a pension retirement system called the Fire Relief and Pension Fund, a single employer defined benefit plan. The system is shown as a trust fund in the financial reports of the City. The system provides retirement, disability, and death benefits to members and beneficiaries. The system is closed with no active members.

As of December 31, 2017, there were a total of 7 individuals (all retirees) covered by this system. Six of them are retirees, and one is a widow of a retiree.

Firefighters' Pension Fund (RCW 41.16.050) – The state contributes 25% of the taxes on fire insurance premiums to these plans and is considered a non-employer contributing entity. The amount of these contributions received in 2017 was \$20,821. This is not considered a special funding situation.

**Plan Description.** The Kittitas County Disability Board is governed by RCW 41.26.110. Each county shall establish a disability board composed of five members to be chosen as follows: one member to be a representative of the City of Ellensburg determined by council; one to be a representative of Kittitas County and is also a county commissioner; one to be active or retired firefighter employed by or retired from an employer within the county to be elected by the firefighters employed or retired from an employer within the county who are not employed by or retired from a city in which a disability board is established and who are subject to jurisdiction of that board; one to be active or retired law enforcement officer employed by or retired from an employer within the county to be elected by the law enforcement officers employed in or retired from an employer within the county who are not employed by or retired from a city in which a disability board is established and who are subject to the jurisdiction of that board; one member from the public at large who resides within the county but does not reside within a city which a city disability board is established, to be appointed by the other four members designated in this subsection. All members appointed or elected pursuant to this subsection shall serve for two-year terms.

**Investment Policy.** The City's investments will be in compliance with all statutes governing the investment of public funds. This includes the Revised Code of Washington (RCW), the State's Budgeting, Accounting and Reporting System (BARS) Manual, the City's Investment Policy and corresponding administrative procedures. All investments of the City are made in compliance with Federal and State law and in accordance with applicable legal interpretations. The investment policy and future versions shall be adopted by resolution of the City Council, and when practicable will first be reviewed by the Certification Committee of the Washington Municipal Treasurers' Association (WMTA). The policy will be reviewed annually, and any changes will be approved by a resolution of the City Council, and such record of adoption shall

**City of Ellensburg, Washington**  
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become a part of the document. The City will diversify its investments by security type and institution.

The most recent actuarial study of the system was done by Milliman Consultants and Actuaries to determine the funding requirements as of December 31, 2017. As of this date, the assets valued at market were \$ 0.430 million and the actuarial present value of future benefits was \$ 0.828 million with unfunded actuarial accrued liabilities of \$ 0.398 million. The assets of the fund, along with future revenues from state fire insurance taxes and investment earnings are not sufficient to pay all future pension benefits, resulting in an actuarial deficiency. During the FY 2017 budget hearing, the City Council authorized allocating \$.141 million of 2017 property tax receipts to the Fire Relief and Pension fund. Based on the number of members in the City's plan, the City is only obligated to calculate the liability of pension cost every three years.

**Assumptions and Other Inputs**

The fact that excess benefits increased less than anticipated over the past two years led to a decrease in liability. Further decreasing liabilities was the change in economic assumptions. The discount rate was lowered from 3.75% to 3.50%. A higher discount rate results in a lower present value of measured liabilities.

Actuarial Cost Method – The City uses the Entry Age Cost Method. This funding method meets the parameters required for GASB disclosure requirements.

The City's Firefighters' Pension Fund is a closed group. No new members are permitted.

Valuation of Assets – All assets are carried on a market value basis.

Investment Earnings – The future investment earnings of the assets of the City's Firefighters' Pension Fund are assumed to accrue at an annual rate of 3.50%.

Postemployment Benefit Increases – Certain benefits increase as the same rate as the salaries for active members of the same rank the retiree had attained at retirement. These salaries were assumed to increase at the rate of 3.25% per annum in the long term.

The following schedules show the City's changes in net pension liability as well as discloses the sensitivity analysis.

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Changes in Net Pension Liability

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan	
		Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2016	\$818,058	\$385,319	\$432,739
Charges for the year:			
Service Cost	-		-
Interest on total pension liability	29,943		29,943
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	-		-
Effect of assumptions changes or inputs	19,430		19,430
Benefit Payments	(39,521)	(39,521)	-
Medical payments from fund		(69,775)	69,775
Employer contributions		141,081	(141,081)
Contributions from state fire insurance premium tax		20,821	(20,821)
Net investment income		3,510	(3,510)
Administrative expenses		(11,725)	11,725
Balances as of December 31, 2017	827,910	429,710	398,200

**Sensitivity Analysis**

The following presents the net pension liability of the City, calculated using a discount rate of 3.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage higher (4.50%) than the current rate.

	1%	Current	1% Increase
	Decrease 2.50%	Discount Rate 3.50%	
Total pension liability	\$913,292	\$827,910	\$754,268
Fiduciary net position	429,710	429,710	429,710
Net pension liability	\$483,582	\$398,200	\$ 324,558

The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The City does not have active employees in this group therefore there is no covered payroll. The Actuarial value of the plan is decreasing.

The City of Ellensburg does not prepare a separate financial report for the single employer defined benefit plan. Therefore, a schedule of employer contributions is provided as RSI on page 92.

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At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<b>Firefighters' Pension Fund</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments	\$20,272	
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
<b>TOTAL</b>	<b>\$20,272</b>	

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	<b>FPF</b>
2018	\$6,729
2019	\$6,729
2020	\$4,475
2021	\$2,339
2022	\$0
Thereafter	\$0

## **7. RISK MANAGEMENT**

### **A. Pool Insurance**

The City of Ellensburg is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 161 members.

New members initially contract for a three-year term, and thereafter automatically renew on annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes



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general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

The City's settlements did not exceed the insurance coverage in the past four years.

**B. Partial Self Insurance**

As of December 31, 2017, the City is partially self-insured for its employee health and benefits program. The health insurance activities are funded and accounted for separately in the fund financial statements based upon the activities of the fund in an Internal Service Fund. The City purchased individual and aggregate stop loss insurance to limit its risk exposure. The City will pay up to \$ 75,000 in claims for an individual employee with an aggregating specific deductible of \$30,000 and up to 1.826 million or 100% of the first monthly aggregate deductible times 12 for the entire group. Once the maximum amount is exceeded then the insurance companies takes over. To cover the 2 million, the City has 1.945 million in operating revenues in 2017. In 2017 the City had 0 in stop loss recoveries. The City has not exceeded the insurance coverage in the first 5 years of the program.

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	2017	2016	2015	2014
Year to Date medical claims	\$ 884,979	\$1,184,859	\$ 942,510	\$1,866,557
Year to Date Pharmacy Claims	317,356	226,856	215,232	202,824
Run-out Claims*	-	-	-	-
Less Eligible Individual Stop Loss Recoveries	-	-	-	494,012
Less Prior Contract Year Service Date Claims	72,486	165,537	36,578	275,298
Less Vision Claims	24,670	25,278	3,856	26,194
Less Voids	-	236		
less Refunded Claims	7,301	5,077	18,207	3,347
<b>Total Aggregate Stop Loss Claims</b>	<b>\$1,097,878</b>	<b>\$1,215,587</b>	<b>\$1,099,101</b>	<b>\$1,270,530</b>

\*Run-out Claim numbers were adjusted to reflect refunds given after the close of the year recovered in the following year.

**8. LONG-TERM DEBT**

**A. Long-Term Debt**

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received are reported as debt service expenditures.

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the city:

1.5% - Without a vote of the people

2.5% - With a vote of the people

5.0% - With a vote of the people provided the indebtedness in excess of 2.5% is for utilities, parks, or open space development.

As of December 31, 2017, the debt limits of the City were as follows:

Assessed Value	\$1,481,783,012		
		Without a Vote	With a Vote
		2.50%	5.00%
Legal Limit	\$ 22,226,745	\$ 37,044,575	\$ 74,089,151
Applicable Outstanding Debt	\$2,171,200	\$2,971,200	2,971,200
Available Assets	40,342	126,161	126,161
Margin Available	\$ 20,095,887	\$ 34,199,536	\$ 71,244,112

General Obligation Bonds

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The City of Ellensburg issues general obligation and revenue bonds to finance the purchase of general government assets and the acquisition or construction of utility infrastructure. General obligation and revenue bonds have been issued for both general government and business type activities and are being repaid from the applicable resources. Proprietary fund revenues are repaying the revenue bonds.

The general obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally 20-year serial bonds with equal amounts of payment each year. General obligation bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate(s)	Original Amount	Amount of Installment	Outstanding Amount
2014 GO Bond - Library	2022	4.10%	1,310,000	140,000	800,000
2010 GO Bond - Maintenance	2030	3.00%	2,935,000	120,000	2,050,000
2017 Facilities Capital Bond	2037	3.31%	121,200	-	121,200
Total			\$ 4,366,200	\$ 260,000	\$ 2,971,200

Listed in the City of Ellensburg 2016 General Obligation Bonds was 2016 LTGO Bond – Taxable Telecom. For 2017, they have been reclassified to General Obligation Debt Issued for Business-Type Activities.

The 2014 Unlimited Tax General Obligation Refunding Bonds were sold to provide funds with which to pay costs associated with remodeling, expanding, and equipping the Ellensburg Public Library and Hal Holmes Community Center in the City and making related capital improvements, and to levy those excess property taxes.

The 2010 Limited Tax General Obligation Bonds were sold to provide funds necessary to pay and reimburse a portion of the costs necessary for several capital projects, including: roof replacement of various municipal buildings; renovations at the City’s pool facility and various other recreational properties and facilities; upgrade of an audio system for the Council chamber; various transportation related improvements, including traffic signal and road projects, and parking improvements; and a flood plain improvement project.

The 2017 Facilities Capital Bonds were sold to provide funds with which to pay costs associated with remodeling, expanding, and equipping the Ellensburg Police Department and other related capital improvements. This bond was issued December 28, 2017, is not to exceed \$7,200,000, and has a draw period that ends November 30, 2019. At the end of the draw period, the outstanding balance will be amortized over 18 years. During the draw period, the bond shall bear interest on the outstanding principal at the draw period variable rate. The rate will be reset on March 1, June 1, September 1 and December 1. During the draw period, the bond shall be repayable on an interest only basis, due semiannually.

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The annual requirements to maturity, including interest for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2018	260,000	116,100
2019	275,000	107,100
2020	411,200	97,600
2021	310,000	87,600
2022	320,000	77,600
2023-2027	810,000	267,625
2028-2032	585,000	59,500
Total	\$ 2,971,200	\$ 813,125

Revenue Bonds

Revenue bonds are bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the City Council, and financed from Enterprise Fund revenues.

2010 Water/Sewer Ref (99) Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. The bonds will mature in 2019 with a debt payment in 2018 of \$250,000 and operating revenue of \$8,617,752 in 2017.

2010 Water/Sewer Revenue Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. These include drilling of deep wells, extend water and sewer mains and replace the bio-solid thickening equipment. The bonds will mature in 2029 with a debt payment in 2018 of \$220,000 and operating revenue of \$8,617,752 in 2017.

2013 Water Revenue Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. Construction of two well houses and the installation of pumps, motors, and electronic control systems and if funds are available the City shall make other improvements to the Waterworks Utility. The bonds will mature in 2022 with a debt payment in 2018 of \$211,552 and operating revenue of \$4,613,695 in 2017.

2014 Electric Refunding/Revenue Bonds for the purpose of providing funds to refund outstanding electric revenue bonds of the City and to finance the cost of a new substation of the City's Electric Utility. The bonds will mature in 2032 with a debt payment in 2018 of \$325,000 and operating revenue of \$16,727,023 in 2017.

2016 Water/Sewer Refunding (2010) Bonds for the purpose of providing funds to refund outstanding water/sewer revenue bonds of the City. The bonds will mature in 2029 with a debt payment in 2018 of \$90,000 and operating revenue of \$8,617,752 in 2017.

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2016 Gas Bonds for the purpose of providing funds to pay or reimburse the costs of certain capital improvements to and extensions of the Natural Gas Utility. The bonds will mature in 2036 with a debt payment in 2018 of \$36,220 and operating revenue of \$6,981,934 in 2017.

The 2016 Limited Tax General Obligation Bonds were sold to provide funds necessary to repay an interfund loan and provide funds for long term financing of the City's telecommunications infrastructure. This is a General Obligation Debt Issued for Business-Type activities. The bonds will mature in 2036 with a debt payment in 2018 of \$11,324 and operating revenue of \$249,893 in 2017.

The Revenue bonds currently outstanding are as follows:

Revenue Bonds					
Purpose	Maturity Range	Interest Rates	Original Amount	Amount of Installment	Outstanding Amount
2010 Water/Sewer (ref 99) Bonds	12/1/2019	4.00%	2,290,000	250,000	510,000
2010 Water/Sewer Revenue Bonds	12/1/2019	4.00%	7,420,000	220,000	450,000
2013 Water Bonds	12/1/2022	2.82%	2,100,000	211,552	1,119,570
2014 Electric (refunding)	12/1/2025	2.00%	3,650,000	315,000	2,750,000
2014 Electric	12/1/2034	2.00%	4,540,000	10,000	4,505,000
Gas 2016	12/1/2036	1.950%	859,015	36,220	824,136
Water and Sewer Refunding 2016	12/1/2029	2.310%	6,990,000	90,000	6,890,000
<b>Total</b>			\$ 27,849,015	\$ 1,132,772	\$ 17,048,706
General Obligation Debt Issued for Business-Type Activities					
Purpose	Maturity Range	Interest Rates	Original Amount	Amount of Installment	Outstanding Amount
LTGO 2016 Telecommunications	12/1/2036	2.8	290,243	11,324	279,542
<b>Total</b>			\$ 290,243	\$ 11,324	\$ 279,542

**City of Ellensburg, Washington**  
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The Revenue bond debt service requirements to maturity are as follows:

Year Ending	Business-type Activities	
	Principal	Interest
December 31		
2018	1,132,772	547,320
2019	1,169,490	499,623
2020	1,201,392	450,192
2021	1,238,483	419,040
2022	1,270,770	386,932
2023-2027	5,582,526	1,479,072
2028-2032	4,128,671	666,703
2033-2037	1,324,602	85,357
Total	\$ 17,048,706	\$ 4,534,239

The GO debt issued for Business-type activities debt service requirements to maturity are as follows:

Year Ending	GO Debt Issued for Business-type Activities	
	Principal	Interest
December 31		
2018	11,324	7,748
2019	11,643	7,429
2020	11,971	7,101
2021	12,309	6,763
2022	12,656	6,416
2023-2027	68,837	26,523
2028-2032	79,105	16,256
2033-2037	71,698	4,590
Total	\$ 279,542	\$ 82,827

Local Improvement Funds

Local Improvement Bonds are used for debt payments of the outstanding debt on local improvement districts.

	Beginning			Ending
Special	Balance	Amount	Amount	Balance
Assessments	1/1/2017	Issued	Redeemed	12/31/2017
LID Notes & Bonds	\$ 288,020	\$ -	\$ 176,365	\$ 111,655
<b>Total</b>	\$ 288,020	\$ -	\$ 176,365	\$ 111,655

In the government-wide financial statements and proprietary fund financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities and proprietary financial statements as net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. In the

**City of Ellensburg, Washington**  
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fund financial statements, governmental fund types recognize bond premiums and discounts as bond issuance costs during the current period. Issuance costs whether or not withheld from the actual debt proceeds received are reported as debt service expenditure items.

At December 31, 2017, the City has \$130,558 available in debt service funds to service the general obligation bonded debt. Restricted assets in proprietary funds contain \$3,071,679 in sinking funds and reserves as required by bond indentures to service the revenue bonded debt.

The various bond indentures contain commitments and restrictions regarding tax levies and debt service requirements. The City is in compliance with all such significant commitments and restrictions.

Arbitrage-The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31<sup>st</sup>, 1986. Rebate arbitrage occurs when earnings on investments purchased from gross proceeds of a bond issue are in excess of the amount that would have been earned if the investment were invested at a yield equal to the yield on the bond issue. The rebate arbitrage must be paid to the federal government. The City of Ellensburg carefully monitors its investments to restrict earnings to a yield less than the bond issue and therefore limit any arbitrage liability. As of December 31, 2017, the City has no arbitrage rebate liability.

**B. Changes in Long-Term Liabilities**

During the year ended December 31, 2017, the following changes occurred in long-term Liabilities reported as General Long-Term Debt.

	Balance 1/1/2017	Additions	Reductions	Balance 12/31/2017	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable					
General Obligation Debt	\$ 3,395,243	\$ 121,200.00	\$ 545,243	\$ 2,971,200	\$ 260,000
Less/add Deferred amounts for issuance discount and Premiums	125,848	-	14,452	111,396	
<b>Total Bonds Payable</b>	<b>3,521,091</b>	<b>121,200</b>	<b>559,695</b>	<b>3,082,596</b>	<b>260,000</b>
Compensated Absences	766,294	159,263		925,557	569,628
OPEB Liability	3,401,339	443,490	-	3,844,829	
Net Pension Liability	4,283,683		140,297	4,143,386	
<b>Total Governmental LT Liabilities</b>	<b>11,972,407</b>	<b>723,953</b>	<b>699,992</b>	<b>11,996,368</b>	<b>829,628</b>
<b>Business-Type Activities</b>					
Revenue Bonds	18,159,295	279,542	1,110,589	17,328,248	1,110,589
Less/add Deferred amounts for issuance discount and Premiums	606,858		81,266	525,592	
<b>Total Bond Payable</b>	<b>18,766,153</b>	<b>279,542</b>	<b>1,191,855</b>	<b>17,853,840</b>	<b>1,144,096</b>
Compensated Absences *	651,093	67,243	286,172	432,163	
Net Pension Liability	4,435,355		1,560,837	2,874,517	
<b>Total Business-Type LT Liabilities</b>	<b>23,852,601</b>	<b>346,785</b>	<b>3,038,864</b>	<b>21,160,521</b>	<b>1,144,096</b>
<b>Total</b>	<b>\$ 35,825,008</b>	<b>\$ 1,070,738</b>	<b>\$ 3,738,856</b>	<b>\$ 33,156,888</b>	<b>\$ 1,973,724</b>

\*Starting in 2017, Current portion of accrued compensated balances is included in wages payable based on GASB 16 it is probable employees will be compensated for the current portion of the compensated absences in the current period. For 2016, the total compensated absences of \$651,093 was reported, with the current portion \$277,651. For 2017, the total compensated absences is \$718,335 with the current portion \$286,172.

**City of Ellensburg, Washington**  
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Internal service funds predominately serve the enterprise funds, accordingly, long-term liabilities for them are included as part of the above Business-Type Activities i.e., compensated absences total in the amount of \$134,017. Also, for the governmental activities, claims, judgments, and compensated absences are generally liquidated by the fund it is associated with. The net pension obligation OPEB liabilities are generally liquidated by the General Fund.

**9. CONTINGENCIES AND LITIGATION**

The City has recorded in its financial statements all material liabilities, including an estimate for situations, which are not yet resolved, but where, based on available information, management believes it is probable that the City will have to make payment. In the opinion of management, the City's insurance policies and self-insurance reserves are adequate to pay all known or pending claims.

The City participates in a number of federal and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

**10. LEASES**

**A. Operating Leases**

The City leases equipment under non-cancelable operating leases. Total cost for such leases was \$38,514 for the year ended December 31, 2017. The future minimum lease payments for these leases are as follows; all leases are completed by 2021 as of December 31<sup>st</sup>, 2017.

Year Ending December 31	
2017	38,514
2018	36,972
2019	10,845
2020	7,660
2021	2,389
Total	<u>96,379</u>

**11. INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS**

The accompanying Schedule of Financial Assistance provides a listing of all federal, state, and local assistance programs in which the City participates and summarizes the City's grant transactions for 2017.

**12. INTERFUND BALANCES AND TRANSFER**



**City of Ellensburg, Washington**  
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**Classification of Interfund Transactions**

Interfund transactions are classified as follows:

- A. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City.
- B. Transfers to support the operations of other funds are recorded as "Transfers" and classified with "Other Financing Sources or Uses."
- C. Contributions to the capital of enterprise or internal service funds, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified as transfers and reported as direct additions to or deductions from fund equity.
- D. Loans between funds are classified as interfund loans receivable and payable or as
  - a. advances to and from other funds on the combined balance sheet depending on the time
  - b. period for which the loan was made. Interfund loans do not affect total fund equity, but
  - c. advances to other funds are offset by a reservation of fund equity

Interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts for debt service from the fund collecting the receipts to a debt service fund as debt service payments become due; and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following table displays interfund transfer activity as of December 31, 2017:

		<b>Transfer From</b>					
		General Fund	Non Major Gov	Stormwater	Water	Sewer	Total
<b>Transfer To</b>	General Fund	\$	7,403				7,403
	Arterial and Street	1,753,257	558,712				2,311,969
	Non Major Gov	857,500	19,540				877,040
	Transfer to Internal Service	15,000		59,636		59,562	134,198
	Water Construction				202,082		202,082
	Total	2,625,757	585,655	59,636	202,082	59,562	3,532,692

One significant transfer that occurred in 2017 was to record the transfer from the Stormwater and the Sewer Fund to the Shop-Internal Service Fund for construction — approved by City of Ellensburg Council Agenda January 3, 2017. Award Bid Call 2016-31 WWTF Decant Building Breezeway Enclosure.

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Outstanding balances between funds at year end are reported as “due to/from other funds.” These balances represent a payable for goods issued, work performed, or services rendered from or by another fund of the same government. The recipient fund has an equal amount recorded. All interfund “due to/from other funds” are expected to be paid within thirty days from the date of the financial statements. The following table displays interfund balance activity as of December 31, 2017:

	000	120	137	431	451	461	471	481	491	531/550	Total
Due To	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Total
	General Fund	Arterial/ Street	Special Revenue	Stormwater	Telecom	Gas Fund	Light Fund	Water Fund	Sewer Fund	Internal Service	
General Fund			2,466							691	3,156
Street & Arterial Street	1,433		62,650				20,849		1,650		86,582
Storm Water	300	15				11	55	19	69	195	664
Gas	8,075				2,459		169		890	2,830	14,423
Light	15,258	3,102		112	2,210	316	1,586	6,831	20,778	4,108	54,300
Water Department	8,095	428	21				54	107	3,726	358	12,789
Sewer Department	782	734								95	1,611
Shop Department	145	131					1,088		6		1,370
IT Department					4,937						4,937
Total	\$ 34,087	\$ 4,410	\$ 65,137	\$ 112	\$ 9,605	\$ 327	\$ 23,801	\$ 6,958	\$ 27,119	\$ 8,277	\$ 179,832

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to either as interfund loans receivables/payables or advances to/from other funds. The following table displays interfund loan activity as of December 31, 2017:

Interfund Loan Receivable	Beginning Balance 1/1/2017	Addition	Installment	Balance 12/31/17
Major funds:				
Light	\$ 1,559,657		\$ 290,000	\$ 1,269,657
Stormwater	-	941,823	-	941,823
Total	\$ 1,559,657	\$ 941,823	\$ 290,000	\$ 1,269,657

### 13. FUND EQUITIES

The government-wide and proprietary fund financial statements utilize a net position presentation. Net positions are categorized as invested in capital assets (net of related debt), restricted, and unrestricted. Invested in capital assets (net of related debt) groups all capital assets and including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of the assets reduce the balance in this category.

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**14. FUND BALANCES**

Balance Sheet	Fund Balance			
	Major			Total
	General Fund *	Arterial Street **	Other Funds	
Fund Balances				
<b>Nonspendable</b>		-		-
Inventory		\$39,228		\$ 39,228
Permanet Fund Principal				-
<b>Total Nonspendable</b>		\$39,228		<b>39,228</b>
<b>Restricted for:</b>				-
Transportation		-	1,873,178	1,873,178
Public Safety			933,962	933,962
Parks and Recreation			1,487,962	1,487,962
Economic Environment			575,226	575,226
Debt Service			78,563	78,563
Capital			673,248	673,248
<b>Total Restricted</b>		-	5,622,139	<b>5,622,139</b>
<b>Committed to:</b>				-
Economic Environment			173,473	173,473
<b>Total Committed</b>			173,473	<b>173,473</b>
<b>Assigned to:</b>				-
Transportation		2,141,719	281,951	2,423,670
Public Safety	57,104		16,274	73,378
Economic Environment			18,951	18,951
Parks and Recreation			52,231	52,231
Debt Service			22,594	22,594
Capital Projects			469,799	469,799
<b>Total Assigned</b>	57,104	2,141,719	861,801	<b>3,060,623</b>
<b>Unassigned</b>	4,528,230	-	-	<b>4,528,230</b>
<b>Total Fund Balance</b>	\$ 4,585,335	\$ 2,180,947	\$ 6,657,412	<b>\$ 13,423,694</b>

\*General Fund includes the City 001, 140, and 159 funds

\*\* Arterial Street includes the City 123 and 120 funds

**15. JOINT OPERATION**

The City of Ellensburg and Kittitas County entered into a cooperative service enterprise to purchase and operate the facility previously known as the City/County Community Center (currently known as the Adult Activity Center), effective July 19, 1977. The \$62,500 in initial costs of the facility

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were split \$46,875 to the City and \$15,625 to the County. The City is responsible for operating and maintaining the facility.

The City accounts for the operations of the facility in the Recreation Department of the General Fund. The 2017 operations are as follows:

	<b>Budget</b>	<b>Actual</b>
Kittitas County	\$ 49,000	\$ 51,255
City of Ellensburg	93,736	92,815
Tour Fees	8,000	3,675
Other Revenues	30,934	34,154
<b>Total Support</b>	<b>\$ 181,670</b>	<b>\$ 181,899</b>

A copy of the agreement can be obtained from the City of Ellensburg Finance Department.

**16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT**

In addition to the pension benefits described in Note 6, the City of Ellensburg provides postemployment health care benefits, in accordance with Washington State law to 23 police and firefighters who retired or disabled under the LEOFF I Pension Act or the City's Fire Relief and Pension Plan. A single employer defined benefit plan.

**A. Plan Description**

The plan is directed and defined by the State of Washington Revised Code (RCW 41.26.150). Employers such as municipalities, counties, and fire districts are required to pay the costs for necessary medical services for any active or retired members of the Law Enforcement Officers' and Fire Fighters Retirement System Plan One (LEOFF I). Under subsection 4, the employer may provide for medical insurance through insurance carriers. The plan covers retirees who are on disability as well as those who are retired after reaching age requirements. To qualify for medical services, the employee needs to only be active or disability retired, or the employee's service retirement date is that day following separation from LEOFF employment with the City. To make this plainer, if the employee leaves the City and takes a job with another member of the Washington State Retirement System, regardless of the plan, then the member would then be liable for the employee's medical services. Employees may retire after 5 years of service after reaching age 50. Employees with 20 years of service who leave employment before retirement age are eligible for medical benefits upon reaching age 50. Insurance for retired individuals is provided through the employer's group plan, which covers both active and qualified retired members. The health insurance coverage and medical costs for retired firefighters are paid for out of the Fire Relief and Pension Fund and general government. For law enforcement officers, costs are paid out of the police department budget. The medical services cover active and retired members only. Spouses are not eligible.

**B. Funding Status and Funding Policy**

The plan has 23 retired members and zero active. Health insurance premiums are paid monthly. Other medical services are paid monthly as billings are presented for reimbursement. The pension board performs an annual survey to determine the care to be covered. The City of

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Ellensburg reimburses 100 percent of the amount of validated claims for medical, dental, and hospitalization costs incurred by pre-Medicare retirees.

Employer contributions are financed on a pay-as-you-go basis. Expenditures for postemployment health care benefits are recognized as retiree's report claims. During the year 2017, expenditures of \$246,462 were recognized for postemployment health care.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The City used the tool for this calculation set up by the State Actuary office.

A single retirement age of 55.3 years was assumed for all active members for the purpose of determining the actuarial accrued liability and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 termination and mortality rates used in the June 30, 2014 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2013. The results were based on grouped data with 4 active and 4 inactive grouping. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purpose of this valuation.

The following tables shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the Retiree Health Plan. Based on the number of members in the City's plan, the City is only obligated to calculate the liability of OPEB every three years; however, the City has chosen to update the information as it becomes available.

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<b>Fiscal Year 2017</b>	<b>Fire</b>	<b>Pre leoff Fire</b>	<b>Police</b>	<b>Total</b>
Medical Expenses	\$ 2,356,880	\$ 1,015,246	\$ 2,219,474	\$ 5,591,600
Longterm Care	1,453,407	948,085	1,566,693	3,968,185
Total Inactive	<u>3,810,287</u>	<u>1,963,331</u>	<u>3,786,167</u>	<u>9,559,785</u>
Arc				
Normal Cost	-	-	-	-
UAAI Amortization	342,701	176,584	340,532	859,817
<b>ARC</b>	<u>342,701</u>	<u>176,584</u>	<u>340,532</u>	<u>859,817</u>
Annual OPEB Cost				
ARC	342,701	176,584	340,532	859,817
NOO Interest	48,144	31,178	56,731	136,053
NOO Amortization	(108,254)	(70,106)	(127,561)	(305,921)
Annual OPEB Cost	<u>282,591</u>	<u>137,656</u>	<u>269,702</u>	<u>689,949</u>
NOO				
Starting NOO	1,203,608	779,462	1,418,269	3,401,339
Annual OPEB Cost	282,592	137,657	269,702	689,951
Contributions	(82,660)	(69,774)	(94,027)	(246,461)
NOO*	<u>\$ 1,403,540</u>	<u>\$ 847,345</u>	<u>\$ 1,593,944</u>	<u>\$ 3,844,830</u>

\*Estimated (please see comment in Key Results above)

Funding Status and Funding Progress- As of December 2017, the actuarial accrued liability for benefits was \$9,559,785.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

There are no active employees. The historical age of retirement for regular retirees is 55 years of age. The city average is 50 years of age. Employees who retired on disability were excluded from this calculation.

Life expectancies are based on mortality tables at the office of the State Actuary for Washington (osa.leg.wa.gov). Life expectancies that included partial years were rounded to the nearest whole year.

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The calculation of postemployment health insurance coverage for each year in the worksheet is based on the assumption that all participants will live until their expected age displayed in the mortality tables.

The expected rate of increase in healthcare insurance premiums is based on projection of the office of the Actuary at the Centers for Medicare and Medicaid Services, as published in National Health Care Expenditures Projection Tables, Table 3: National Health Expenditures, Aggregate & Per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 2003-2018, published March 2008 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)).

The assumed long term earning rate on current and expected investments that are expected to be used in financing the payment of benefits is 3%.

Inflation rate- The expected long-term inflation assumption for 2017 of 0.91 percent was based on projected changes in the Consumer Price Index for Urban Wage earners and Clerical Workers (SPI-W) from the office of the State Actuary for Washington ([osa.leg.wa.gov](http://osa.leg.wa.gov)).

Payroll growth-rate- The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 2.1 percent was used. In addition, the actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The funded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2017 was twenty-four years.

## **17. RELATED PARTY TRANSACTIONS**

The City has related party transactions with Ellensburg Business Development Authority (EBDA), a Washington State non-profit corporation. The Ellensburg City Council by Ordinance 3895, adopted November 15, 1995, created EBDA and approved a Charter for the Authority's operation. The charter (organized pursuant to RCW 35.21.730-.755) provides for undertaking, assist, facilitate, promote or providing for business development. EBDA is a stand-alone entity with its own board and authority to control their own assets and liabilities. The City provides funding to EBDA for economic development services provided.

## **18. CONSTRUCTION COMMITMENTS**

The City has active construction projects as of December 31, 2017.

The projects commitments include:

### Arterial Street

University Way and Wildcat Way Intersection	\$ 8,065
John Wayne Trail Reconnect	\$11,872
Public Works and Utilities	
Bull Road Utility Extension	\$62,797

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Illinois Well Development	\$10,200
Warehouse Electrical Upgrades	\$71,629

**19. PRIOR PERIOD ADJUSTMENTS**

In 2017, the City reconciled modules to the general ledger back to the inception of when the current software was installed (2003). In prior statements the City's actual cash had a variance from the general ledger cash of an amount less than 1%, and it was decided to remedy the discrepancy in 2017. Although the amounts are immaterial, it is the City's approach to be transparent and accountable.

	Purpose for Adjustment	Increase/(Decrease) due to Adjustment		
		Assets	Liabilities	Net Position
<b>Governmental Funds</b>				
General Fund	1	10,582		10,582
Arterial Street Fund	2	71,873		71,873
<b>Total Governmental Funds</b>		<b>\$ 82,456</b>		<b>\$ 82,455</b>
<b>Enterprise Funds</b>				
Gas Fund	3	4,346		4,346
Electric Fund	4	26,507		26,507
Water Fund	5	115,070		115,070
Sewer Fund	6	7,113		7,113
Telecommunications Fund	7		290,243	(290,243)
Internal Service Fund - IT	8	1,554		1,554
<b>Total Enterprise Funds</b>		<b>\$ 154,591</b>	<b>\$ 290,243</b>	<b>\$ (135,652)</b>
<b>Government-wide Financial Statements</b>				
Governmental Activities	9		(290,243)	290,243
<b>Total Governmental Activities</b>			<b>\$ (290,243)</b>	<b>\$ 290,243</b>

Purpose for prior period adjustments (cumulative from 2003 to 2016)

1. Prior years expenses and revenues that had been voided in the modules had not been removed from the general ledger. This is an accumulation of small entries that had not been reconciled to the general ledger since 2003.
2. \$61,504.30 (2016) was a retainage from Advantage Dirt Contractors, \$22.00 was an internal equipment rental entry that had not been removed from the general ledger, the remaining amount is an accumulation of revenues and expenses that had been voided in the module and had not been removed from the general ledger.
3. Prior years expenses and revenues that had been voided in the modules had not been removed from the general ledger. This is an accumulation of small entries that had not been reconciled to the general ledger since 2003.
4. \$9,423.55 is an incorrect internal equipment charge, and the remain is an accumulation of revenues and expenses that had been voided in the module and had not been removed from the general ledger.
5. \$105,979.29 was a retainage from Advantage Dirt Contractors that was voided in the module, but had not been removed from the general ledger, the remaining amount is an accumulation of



**City of Ellensburg, Washington**  
**Notes to Basic Financial Statements**  
**For the Year Ended December 31, 2017**

revenues and expenses that had been voided in the module and had not been removed from the general ledger.

6. Prior years expenses and revenues that had been voided in the modules had not been removed from the general ledger. This is an accumulation of small entries that had not been reconciled to the general ledger since 2003.
7. 2016 reconciliation of the Statement of Revenues and expenditures included the LTGO Bond (2016 Taxable Telecom) and the correct placement for this liability is to include the General Obligation Debt issued for Business-type activities in the liabilities section of the Telecommunications Fund.
8. \$1,554 was a retainage from Cogsdale, a software provider, this 2004 amount never was a payable, it was removed from the module and general ledger.
9. See #7

## **20. SUBSEQUENT EVENTS**

### Organizational Change

In May of 2018 the City Council approved a restructuring of selected departments that resulted in an organizational change. The purpose of the change was to mitigate the span of control for the City Manager.

Public Works and Energy Services have essentially combined, with the current Public Works director becoming the Public Works and Utilities Director, overseeing both departments. The city attorney now has the administrative tasks of Assistant City Manager/City Attorney which includes managing the Police Department, Community Development, and IT & Telecommunications (formerly a section of Energy Services). This reduced the City Manager's direct reports from 11 to 8.

### Mayor

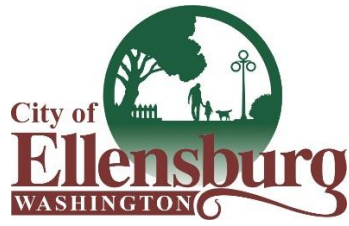
Mayor/Councilmember Rich Elliot chose not to run again after his term expired at the end of 2017 and resigned just before his term was up. Councilmember Jill Scheffer was the mayor pro tem until Bruce Tabb was elected Mayor in January 2018.

### Police Chief

Ellensburg Police Department's Chief Dale Miller retired in January 2018 and Kenneth Wade was promoted from Captain shortly thereafter.

### Sales Tax Increase

A .01 percent sales tax increase was included in the November 2017 ballot after a resolution passed by the City Council in July 2017 for funding affordable housing and mental health services. The ballot passed and on April 1, 2018, the City's sales tax increased from 8.2 percent to 8.3 percent.



## Required Supplementary Information

**CITY OF ELLENSBURG  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS - SCHEDULE OF FUNDING PROGRESS  
2017**

<b>Fund</b>	<b>Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Covered payroll</b>	<b>UAAL as a percentage of Covered Payroll</b>
Pre leoff	-	1,963,330	1,963,330	0%	-	N/A
Leoff 1 Fire	-	3,810,288	3,810,288	0%	-	N/A
Leoff 1 Police	-	3,786,167	3,786,167	0%	-	N/A

The schedule of funding progress, presented as required presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. There are no active employees.

**CITY OF ELLENSBURG  
REQUIRED SUPPLEMENTARY INFORMATION  
GASB Statement No. 67 Schedule of Employer Contributions  
2017**

**Schedule of Employer Contributions for 10 years**

**Fire Relief and Pension Fund**

<b>Fiscal Year Ending</b>	<b>Actuarially Determined Contribution *</b>	<b>Actual Employer Contribution **</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a % of Covered Payroll</b>
December 31st 2008	77,535	143,574	(66,039)	0	N/A
December 31st 2009	77,535	149,853	(72,318)	0	N/A
December 31st 2010	64,903	199,940	(135,037)	0	N/A
December 31st 2011	64,903	184,471	(119,568)	0	N/A
December 31st 2012	59,924	202,238	(142,314)	0	N/A
December 31st 2013	59,924	76,923	(16,999)	0	N/A
December 31st 2014	43,646	89,679	(46,033)	0	N/A
December 31st 2015	27,000	(61,886)	88,886	0	N/A
December 31st 2016	27,000	92,525	(65,525)	0	N/A
December 31st 2017	52,000	92,127	(40,127)	0	N/A

\* Equal to the ARC under GASB 27 for years prior to 2015. For 2015 and 2016, the ADC is equal to the budgeted contribution developed in the January 2015 actuarial report dated May 22, 2015. For 2017, the ADC is equal to the budgeted contribution developed in the January 2017 actuarial valuation report dated March 8, 2017.

\*\* Employer Contributions for pensions are total contributions to the Fund net of disbursements from the Fund for medical expenses under RCW 41.26.150. It includes revenues from fire insurance premium taxes. Prior to 2014, administrative expenses were also subtracted from employer contributions.

**CITY OF ELLENSBURG**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GASB Statement No. 67 Schedule of Money Weighted Rate of Return**  
**2017**

<b>Fiscal Year Ending December 31</b>	<b>Net Money Weighted Rate of Return</b>
2017	0.88%

**Calculation of Money Weighted Rate of Return**

The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money weighted rate of return is calculated net of investment expenses.

	<b>Net External Cash Flows</b>	<b>Periods Invested</b>	<b>Period Weight</b>	<b>Net External Cash Flows With Interest</b>
Beginning Value January 1, 2017	\$385,319	12.00	1.00	\$388,712
Monthly net external cash flows:				
January	(7,244)	12.00	1.00	(7,308)
February	(7,615)	11.00	0.92	(7,677)
March	(9,594)	10.00	0.83	(9,664)
April	61,007	9.00	0.75	61,409
May	1,115	8.00	0.67	1,122
June	(8,883)	7.00	0.58	(8,928)
July	(13,177)	6.00	0.50	(13,235)
August	(8,307)	5.00	0.42	(8,338)
September	(8,491)	4.00	0.33	(8,516)
October	(10,874)	3.00	0.25	(10,898)
November	62,055	2.00	0.17	62,147
December	(9,110)	1.00	0.08	(9,116)
Ending Value December 31, 2017	426,201			429,710
 Money Weighted Rate of Return	 0.88%			

**CITY OF ELLENSBURG  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GASB Statement No. 67 Long-Term Expected Rate of Return  
 2017**

The best-estimate range for the long-term expected rate of return is determined by combining expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2017.

<b>Asset Class</b>	<b>Index</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	Citigroup 90-Day T-Bills	0.18%
Short-Term Bonds	Citigroup 1-3 Year Gov/Cred	1.34%
Long-Term Bonds	Barclays Long Gov/Cred	2.78%
Assumed Inflation - Mean		2.25%
<b>Long-Term Expected Rate of Return</b>		<b>3.50%</b>

**CITY OF ELLENSBURG**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GASB Statement No. 67 Net Pension Liability**  
**2017**

<b>Net Pension Liability</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Total pension liability	\$818,058	\$827,910
Fiduciary net position	385,319	429,710
Net pension liability	432,739	398,200
Fiduciary net position as a % of total pension liability	47.10%	51.90%
Covered payroll	0	0
Net pension liability as a % of covered payroll	N/A	N/A

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

**Discount Rate**

Discount rate	3.75%	3.50%
Long-term expected rate of return, net of investment expense	3.75%	3.50%
Municipal bond rate	3.75%	3.50%

**Other Key Actuarial Assumptions**

Valuation Date	January 1, 2017	January 1, 2017
Measurement Date	December 31, 2016	December 31, 2017
Inflation	2.25%	2.25%
Salary increases including inflation	3.25%	3.25%
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members)	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members)
Actuarial cost method	Entry Age Normal	Entry Age Normal

**CITY OF ELLENSBURG**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GASB Statement No. 67 Schedule of Changes in Net Pension Liability and Related Ratios**  
**2017**

<b>\$ Thousands</b>	Fiscal Year Ending December 31			
	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service Cost	\$0	\$0	\$0	\$0
Interest on total pension liability	33	30	29	30
Effect of plan charges	0	0	0	0
Effect of economic /demographic gains or (losses)	(126)	0	(12)	0
Effect of assumption changes or inputs	107	0	(21)	19
Benefit payments	(52)	(36)	(39)	(40)
Net change in total pension liability	(37)	(7)	(42)	10
Total pension liability, beginning	904	867	860	818
Total pension liability, ending (a)	867	860	818	828
<b>Fiduciary Net Position</b>				
Employer contributions	\$141	\$0	\$141	\$141
Contributions from state fire insurance premium tax	21	20	20	21
Investment income net of investment expenses	1	2	2	4
Benefit payments	(52)	(36)	(39)	(40)
Medical payments from fund	(72)	(82)	(69)	(70)
Administrative expenses	(8)	(11)	(3)	(12)
Net change in plan fiduciary net position	30	(107)	53	44
Fiduciary net position, beginning	410	440	333	385
Fiduciary net position, ending (b)	440	333	385	430
Net pension liability, ending = (a) - (b)	\$427	\$527	\$433	\$398
Fiduciary net position as a % of total pension liability	50.78%	38.70%	47.10%	51.90%
Covered payroll	\$0	\$0	\$0	\$0
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.



REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Ellensburg  
 Schedule of Proportionate Share of the Net Pension Liability  
 Pension Plans, PERS 1; PERS 2; LEOFF 1; LEOFF 2  
 As of June 30 2017  
 Last 10 Fiscal Years\*

		2015	2016	2017
PERS 1				
	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.069607%	0.071927%
	<u>Employer's proportionate share of the net pension liability</u>	\$	3,641,093	3,478,285
	TOTAL	\$	3,641,093	3,478,285
	<u>Employer's covered employee payroll</u>	\$	209,677	159,905
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	5.76%	4.60%
		2015	2016	2017
PERS 2 & 3	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.084596%	0.090413%
	<u>Employer's proportionate share of the net pension liability</u>	\$	3,022,663	3,141,420
	TOTAL	\$	3,022,663	3,141,420
**	<u>Employer's covered employee payroll</u>	\$	7,506,240	8,896,175
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	248.33%	283.19%
		2015	2016	2017
LEOFF 1	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.039784%	0.040116%
	<u>Employer's proportionate share of the net pension asset</u>	\$	479,485	608,648
	<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	\$	(2,761,817)	(4,116,880)
	TOTAL	\$	479,485	608,648
	<u>Employer's covered employee payroll</u>	\$	0	0
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	0.00%	0.00%
		2015	2016	2017
LEOFF 2	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.071938%	0.069861%
	<u>Employer's proportionate share of the net pension asset</u>	\$	739,379	990,065
	<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	\$	(264,899)	(642,237)
	TOTAL	\$	739,379	990,065
	<u>Employer's covered employee payroll</u>	\$	2,087,922	2,229,345
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	282.39%	225.17%
	<u>Plan fiduciary net position as a percentage of the total pension liability</u>	%	282.39%	225.17%

\* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

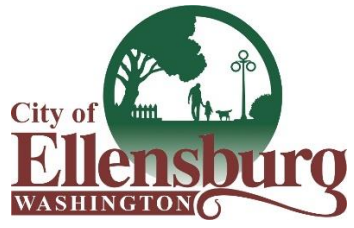
\*\* 2016 statements reported \$4,881,354, the January through June Pers 2 employee's compensation was inadvertently omitted

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Ellensburg  
 Schedule of Employer Contributions  
 Pension Plans, PERS 1; PERS 2; LEOFF 1; LEOFF 2  
 As of December 31 2017  
 Last 10 Fiscal Years\*

	2015	2016	2017
PERS 1			
Statutorily or contractually required contributions	\$ 18,440	18,338	462,204
Contributions in relation to the statutorily or contractually required contributions	\$ (18,440)	(18,338)	(462,204)
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 186,682	166,709	108,330
Contributions as a percentage of covered employee payroll	% 9.88%	11.00%	426.66%
PERS 2 & 3			
Statutorily or contractually required contributions	\$ 430,526	523,010	629,716
Contributions in relation to the statutorily or contractually required contributions	\$ (430,526)	(523,010)	(629,716)
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 7,600,570	8,430,462	9,180,491
Contributions as a percentage of covered employee payroll	% 5.66%	6.20%	6.86%
LEOFF 1			
Statutorily or contractually required contributions	\$ 0	0	0
Contributions in relation to the statutorily or contractually required contributions	\$ 0	0	0
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 0	0	0
Contributions as a percentage of covered employee payroll	% 0.00%	0.00%	0.00%
LEOFF 2			
Statutorily or contractually required contributions	\$ 106,850	110,566	115,899
Contributions in relation to the statutorily or contractually required contributions	\$ (106,850)	(110,566)	(115,899)
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 2,115,847	2,189,421	2,249,535
Contributions as a percentage of covered employee payroll	% 5.05%	5.05%	5.15%

\* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.



## Nonmajor Funds

## Nonmajor Governmental Funds

1. Description
2. Combining Balance Sheet- Nonmajor Governmental Funds
3. Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Governmental Funds
4. Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual – Nonmajor Funds

# City of Ellensburg, Washington Nonmajor Governmental Funds

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Traffic Impact Fees-** A fund is used to account for the use of traffic impact fees that is to be used for new growth and development.

**Ellensburg Public Transit-** A fund used to account for the monies derived from a voter approved 2/10 of one percent sales tax and the use thereof.

**Criminal Justice Fund-** A fund used to account for the 3/10 of one percent sales tax to be spent on criminal justice activities.

**Drug Fund-** A fund used to account for the monies derived from the forfeiture of property in connection with drug investigations.

**CATV-** A fund used to account for the University operation of the Ellensburg Community Television station.

**CATV Capital Outlay-** A fund used to account for the maintenance and purchase of capital expenditures relating to the CATV fund. In 2017 the fund balance was transferred to CATV with the approval of City Council.

**Park Acquisition-** A fund used to account for the maintenance and construction of path and trail development, and the acquisition of new parks.

**Lodging Tax-** A fund used to account for the use of lodging tax revenue.

**C.H.I.P Reserve-** A fund used to account for activities relating to CDBG guidelines.

## Debt Service Funds

A fund used to account for the debt service associated with various issues of general obligation bonds of the City.

**G.O. Maintenance Bond (2010)-** A fund used to account for the payment of debt on various maintenance and capital projects through-out the city.

**G.O. Bonded Library Debt (Refunded 2014)-** A fund used to account for the payment of debt on the remodel and expansion of the City of Ellensburg Library.

**G.O. Facilities Capital-** A fund used to account for payment of debt on the Capital Improvements for Governmental facilities.

### **Capital Project Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Facility Capital-** A fund used to account for 2017 G.O. Bonds issued for the purpose of providing funds necessary to pay for the cost of renovating and upgrading the Public Safety building and other various capital projects.

**Capital Projects-** A fund used to account for the purchase of regional and local general government capital outlays.

**Sidewalk Construction-** A fund used to account for the repairing of sidewalks in the City's residential areas and Central Business District.

### **Trust Funds**

**Library Trust Fund-** A fund used to account for donations and bequests made to the Ellensburg Public Library.

**Hal Holmes Trust Fund-** A fund used to account for the last will and testament of Otis Halbert.

**City of Ellensburg, Washington**

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2017**

	Special Revenue Funds					
	Traffic Impact Fee 125	Public Transit 127	Criminal Justice 130	Drug 137	CATV O & M 150	CATV Capital 155
	<b>ASSETS</b>					
Cash and cash equivalents	\$ 971,697	\$ 773,639	\$ 682,236	\$ 20,519	\$ 108,852	\$ -
Deposits with other agents	-	-	-	-	-	-
Investments	285,402	104,418	198,502	-	19,026	-
Receivables (net)	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Accounts	-	-	-	-	17,695	-
Due from other governments	-	179,952	223,788	279	-	-
Interfund loan receivable	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,257,098</b>	<b>1,058,009</b>	<b>1,104,526</b>	<b>20,798</b>	<b>145,573</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	-	80,747	-	498	5,900	-
Wages and benefits payable	-	4,210	26,149	-	-	-
Due to other funds	-	-	-	2,466	-	-
Due to other governments	-	-	-	-	236	-
<b>Total Liabilities</b>	<b>-</b>	<b>84,957</b>	<b>26,149</b>	<b>2,964</b>	<b>6,136</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue- taxes	-	98,263	145,975	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>98,263</b>	<b>145,975</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Restricted	1,235,347	637,831	917,087	16,875	-	-
Committed	-	-	-	-	136,546	-
Assigned	21,752	236,957	15,315	959	2,891	-
<b>Total Fund Balance</b>	<b>1,257,098</b>	<b>874,789</b>	<b>932,402</b>	<b>17,834</b>	<b>139,437</b>	<b>-</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 1,257,098</b>	<b>\$ 1,058,009</b>	<b>\$ 1,104,526</b>	<b>\$ 20,798</b>	<b>\$ 145,573</b>	<b>\$ -</b>

Parks Acquisitions 160	Art Acquisitions 162	Lodging Tax 165	Debt Service				Total Debt Service
			Total Special Revenue	G.O. Bond 225	Library Construction 230	G.O. Bond 240	
\$ 570,101	\$ 38,195	\$ 591,118	\$ 3,756,356	\$ 40,342	\$ 79,212	\$ 11,004	\$ 130,558
-	-	-	-	-	-	-	-
274,432	-	81,367	963,145	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,827	-	5,827
-	25	-	17,720	-	-	-	-
159	-	58,544	462,722	-	-	-	-
-	-	-	-	-	-	-	-
<u>844,692</u>	<u>38,220</u>	<u>731,028</u>	<u>5,199,943</u>	<u>40,342</u>	<u>85,039</u>	<u>11,004</u>	<u>136,385</u>
100,371	176	103,259	290,950	150	150	-	300
-	-	-	30,359	-	-	-	-
62,650	-	21	65,137	-	-	-	-
-	580	10,417	11,234	-	-	-	-
<u>163,020</u>	<u>756</u>	<u>113,698</u>	<u>397,680</u>	<u>150</u>	<u>150</u>	<u>-</u>	<u>300</u>
-	-	26,044	270,282	-	5,827	-	5,827
-	-	26,044	270,282	-	5,827	-	5,827
672,348	-	575,226	4,054,714	-	78,563	-	78,563
-	36,927	-	173,473	-	-	-	-
9,323	537	16,060	303,794	40,192	498	11,004	51,695
<u>681,672</u>	<u>37,464</u>	<u>591,286</u>	<u>4,531,981</u>	<u>40,192</u>	<u>79,062</u>	<u>11,004</u>	<u>130,258</u>
<u>\$ 844,692</u>	<u>\$ 38,220</u>	<u>\$ 731,028</u>	<u>\$ 5,199,943</u>	<u>\$ 40,342</u>	<u>\$ 85,039</u>	<u>\$ 11,004</u>	<u>\$ 136,385</u>



**City of Ellensburg, Washington**

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2017**

	Capital Projects			Trust Funds			Total Nonmajor Governmental Funds	
	Facility Capital 340	Capital Projects 365	Sidewalk Improvements 366	Total Capital Projects	Library Trust 605	Holmes Trust 621		Total Trust Funds
	<b>ASSETS</b>							
Cash and cash equivalents	\$ 109,134	\$ 504,641	\$ 587,598	\$ 1,201,374	\$ 189,560	\$ 69,995	\$ 259,555	\$ 5,347,843
Deposits with other agents	-	-	-	-	-	450,803	450,803	450,803
Investments	-	-	39,759	39,759	118,526	-	118,526	1,121,430
Receivables (net)	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	5,827
Accounts	-	-	-	-	-	-	-	17,720
Due from other governments	-	-	45,258	45,258	-	-	-	507,980
Interfund loan receivable	-	-	-	-	-	-	-	-
	<u>\$ 109,134</u>	<u>504,641</u>	<u>672,615</u>	<u>1,286,390</u>	<u>308,086</u>	<u>520,798</u>	<u>828,884</u>	<u>7,451,603</u>
Accounts payable	31,162	34,795	54,086	120,044	-	-	-	411,294
Wages and benefits payable	-	-	-	-	-	-	-	30,359
Due to other funds	-	-	-	-	-	-	-	65,137
Due to other governments	-	47	11	57	-	-	-	11,291
Total Liabilities	<u>31,162</u>	<u>34,842</u>	<u>54,097</u>	<u>120,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,081</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue- taxes	-	-	-	-	-	-	-	276,109
Total Deferred Inflows of Resource	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,109</u>
<b>FUND BALANCE</b>								
Restricted	77,972	-	595,276	673,248	294,815	520,798	815,613	5,622,139
Committed	-	-	-	-	-	-	-	173,473
Assigned	-	469,799	23,242	493,041	13,271	-	13,271	861,801
	<u>77,972</u>	<u>469,799</u>	<u>618,518</u>	<u>1,166,289</u>	<u>308,086</u>	<u>520,798</u>	<u>828,884</u>	<u>6,657,412</u>
Total Liabilities & Fund Balances	<u>\$ 109,134</u>	<u>\$ 504,641</u>	<u>\$ 672,615</u>	<u>\$ 1,286,390</u>	<u>\$ 308,086</u>	<u>\$ 520,798</u>	<u>\$ 828,884</u>	<u>\$ 7,451,603</u>

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**CITY OF ELLENSBURG, WASHINGTON**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

Nonmajor Governmental Funds  
For the Year Ended December 31, 2017

	Special Revenue Funds						
	Traffic Impact Fee 125	Public Transit 127	Criminal Justice 130	Drug 137	CATV O & M 150	CATV Capital 155	Parks Acquisitions 160
<b>REVENUES</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	1,148,119	1,003,601	-	92,209	-	-
Other taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	2,093
Charges for services	346,971	75,000	-	-	92	-	337,802
Fines & forfeits	-	-	-	2,075	-	-	-
Investment earnings	12,398	5,770	6,880	166	985	-	6,208
Net change in fair value of investment	(3,175)	(1,030)	(1,435)	-	(220)	-	(2,457)
Miscellaneous	-	-	-	-	-	-	10,000
<b>Total revenues</b>	<b>356,194</b>	<b>1,227,859</b>	<b>1,009,046</b>	<b>2,241</b>	<b>93,065</b>	<b>-</b>	<b>353,647</b>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	681,032	3,885	-	-	-
Transportation	7,378	583,402	-	-	-	-	-
Natural and economic	-	-	60,562	-	83,315	-	-
Culture & recreation	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	29,828	-	-	-	-	98,030
<b>Total expenditures</b>	<b>7,378</b>	<b>613,230</b>	<b>741,593</b>	<b>3,885</b>	<b>83,315</b>	<b>-</b>	<b>98,030</b>
Excess(deficiency) of revenues over expenditures	348,815	614,629	267,453	(1,644)	9,750	-	255,617
<b>OTHER FINANCING SOURCES (USES):</b>							
Refunding bonds issued	-	-	-	-	-	-	-
Disposition of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	19,540	-	-
Transfers out	(400,000)	-	-	-	-	(19,540)	(62,650)
Compensation for Loss/Impairment of Capital A	-	-	-	-	-	-	-
<b>Total other financing sources &amp; uses</b>	<b>(400,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,540</b>	<b>(19,540)</b>	<b>(62,650)</b>
Net change in fund balance	(51,185)	614,629	267,453	(1,644)	29,290	(19,540)	192,968
Fund balances-beginning	1,308,283	260,160	664,950	19,478	110,146	19,540	488,704
<b>Fund balances-ending</b>	<b>\$ 1,257,098</b>	<b>\$ 874,789</b>	<b>\$ 932,402</b>	<b>\$ 17,834</b>	<b>\$ 139,437</b>	<b>\$ -</b>	<b>\$ 681,672</b>

Special Revenue Funds				Debt Funds				
Art Acquisitions 162	Lodging Tax 165	CHIP Reserve 170	Total Special Revenue	G.O. Bond 225	Library Construction 230	G.O. Bond 240	LT G.O. Bond 250	Total Debt Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,840	\$ -	\$ -	\$ 173,840
-	551,890	-	2,795,819	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,093	-	-	-	-	-
1,005	-	-	760,871	-	-	-	-	-
-	-	-	2,075	-	-	-	-	-
434	5,119	-	37,960	-	-	-	-	-
-	(39)	-	(8,357)	-	-	-	-	-
-	-	-	10,000	-	-	-	-	-
1,439	556,970	-	3,600,461	-	173,840	-	-	173,840
-	-	-	-	-	-	-	-	-
-	-	-	684,917	-	-	-	-	-
-	-	-	590,780	-	-	-	-	-
-	475,746	-	619,623	-	-	-	-	-
30,622	-	-	30,622	-	-	-	-	-
-	-	-	-	120,000	135,000	-	-	255,000
-	-	-	-	97,197	28,348	-	-	125,545
-	-	-	127,858	-	-	-	-	-
30,622	475,746	-	2,053,800	217,197	163,348	-	-	380,545
(29,183)	81,224	-	1,546,661	(217,197)	10,492	-	-	(206,705)
-	-	-	-	-	-	-	-	-
-	10,200	-	10,200	-	-	-	-	-
50,000	-	-	69,540	217,500	-	-	-	217,500
-	-	(7,403)	(489,593)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
50,000	10,200	(7,403)	(409,852)	217,500	-	-	-	217,500
20,817	91,424	(7,403)	1,136,809	303	10,492	-	-	10,795
16,647	499,862	7,403	3,395,172	39,889	68,570	11,004	-	119,463
\$ 37,464	\$ 591,286	\$ -	\$ 4,531,981	\$ 40,192	\$ 79,062	\$ 11,004	\$ -	\$ 130,258

	Capital Projects			Trust Funds			Total Nonmajor Governmental Funds	
	Facility Capital 340	Capital Projects 365	Sidewalk Improvements 366	Total Capital Funds	Library Trust 605	Holmes Trust 621		Total Permanent Fund
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,840
Retail sales & use taxes	-	-	-	-	-	-	-	2,795,819
Other taxes	-	-	388,732	388,732	-	-	-	388,732
Intergovernmental	-	-	-	-	-	-	-	2,093
Charges for services	-	-	-	-	-	-	-	760,871
Fines & forfeits	-	-	-	-	-	-	-	2,075
Investment earnings	-	2,626	5,354	7,981	2,851	-	2,851	48,791
Net change in fair value of investment	-	-	(212)	(212)	(1,468)	64,200	62,731	54,162
Miscellaneous	-	-	-	-	10,597	-	10,597	20,597
Total revenues	-	2,626	393,874	396,500	11,979	64,200	76,179	4,246,981
<b>EXPENDITURES</b>								
Current:								
General government	-	15,579	-	15,579	-	-	-	15,579
Public safety	-	12,481	-	12,481	-	-	-	697,398
Transportation	-	-	188,235	188,235	-	-	-	779,015
Natural and Economic	-	-	-	-	-	-	-	619,623
Culture & recreation	-	117,081	-	117,081	4,340	-	4,340	152,043
Principal	-	-	-	-	-	-	-	255,000
Interest and other charges	21,233	-	-	21,233	-	-	-	146,778
Capital outlay	21,996	-	-	21,996	-	-	-	149,853
Total expenditures	43,228	145,142	188,235	376,605	4,340	-	4,340	2,815,290
Excess(deficiency) of revenues over expenditures	(43,228)	(142,515)	205,639	19,895	7,640	64,200	71,839	1,431,691
<b>OTHER FINANCING SOURCES (USES):</b>								
Bonds issued	121,200	-	-	121,200	-	-	-	121,200
Disposition of capital assets	-	-	-	-	-	-	-	10,200
Transfers in	-	590,000	-	590,000	-	-	-	877,040
Transfers out	-	-	(96,062)	(96,062)	-	-	-	(585,655)
Compensation for Loss/Impairment of t	-	-	-	-	-	-	-	-
Total other financing sources & uses	121,200	590,000	(96,062)	615,138	-	-	-	422,786
Net change in fund balance	77,972	447,485	109,577	635,033	7,640	64,200	71,839	1,854,476
Fund balances-beginning	-	22,315	508,941	531,256	300,446	456,599	757,045	4,802,936
Fund balances-ending	\$ 77,972	\$ 469,799	\$ 618,518	\$ 1,166,289	\$ 308,086	\$ 520,798	\$ 828,884	\$ 6,657,412

# CITY OF ELLENSBURG, WASHINGTON

## Traffic Impact Fee Fund 125

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	105,870	105,870	346,971	241,101
Fines & forfeits	-	-	-	-
Investment earnings	3,500	3,500	12,398	8,898
Net change in fair value of investment	-	-	(3,175)	(3,175)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>109,370</b>	<b>109,370</b>	<b>356,194</b>	<b>246,824</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	10,000	10,000	7,378	2,622
Social Services	-	-	-	-
Natural and Economic	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	50,000	50,000	-	50,000
Total expenditures	60,000	60,000	7,378	52,622
Excess(deficiency) of revenues over expenditures	49,370	49,370	348,815	299,445
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(440,000)	(440,000)	(400,000)	(40,000)
Total other financing sources & uses	(440,000)	(440,000)	(400,000)	(40,000)
Net change in fund balance	(390,630)	(390,630)	(51,185)	259,445
Fund balances-beginning	1,187,750	1,187,750	1,308,283	120,533
Fund balances-ending	\$ 797,120	\$ 797,120	\$ 1,257,098	\$ 379,978

# CITY OF ELLENSBURG, WASHINGTON

## Ellensburg Public Transit Fund 127

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Retail sales & use taxes	730,000	750,000	1,148,119	398,119
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	360,406	206,234	-	(206,234)
Charges for services	75,000	77,000	75,000	(2,000)
Fines & forfeits	-	-	-	-
Investment earnings	200	200	5,770	5,570
Net change in fair value of investment	-	-	(1,030)	(1,030)
Miscellaneous	-	100	-	(100)
<b>Total revenues</b>	<b>1,165,606</b>	<b>1,033,534</b>	<b>1,227,859</b>	<b>194,325</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	832,862	781,497	583,402	198,095
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	30,000	95,000	29,828	65,172
<b>Total expenditures</b>	<b>862,862</b>	<b>876,497</b>	<b>613,230</b>	<b>263,267</b>
Excess(deficiency) of revenues over expenditures	302,744	157,037	614,629	457,592
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets				-
Transfers in	-	-	-	-
Transfers out	(25,000)	(25,000)	-	25,000
<b>Total other financing sources &amp; uses</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>-</b>	<b>25,000</b>
<b>Net change in fund balance</b>	<b>277,744</b>	<b>132,037</b>	<b>614,629</b>	<b>482,592</b>
Fund balances-beginning	35,937	260,160	260,160	-
<b>Fund balances-ending</b>	<b>\$ 313,681</b>	<b>\$ 392,197</b>	<b>\$ 874,789</b>	<b>\$ 482,592</b>

# CITY OF ELLENSBURG, WASHINGTON

## Criminal Justice Fund 130

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	734,522	979,341	1,003,601	24,260
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	400	400	6,880	6,480
Net change in fair value of investment	-	-	(1,435)	(1,435)
Miscellaneous	-	-	-	-
Total revenues	<u>734,922</u>	<u>979,741</u>	<u>1,009,046</u>	<u>29,305</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	753,144	752,885	681,032	71,853
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	61,980	64,113	60,562	3,551
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>815,124</u>	<u>816,998</u>	<u>741,593</u>	<u>75,405</u>
Excess(deficiency) of revenues over expenditures	<u>(80,202)</u>	<u>162,743</u>	<u>267,453</u>	<u>104,710</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(80,202)</u>	<u>162,743</u>	<u>267,453</u>	<u>104,710</u>
Fund balances-beginning	<u>466,429</u>	<u>664,960</u>	<u>664,950</u>	<u>(10)</u>
Fund balances-ending	<u>\$ 386,227</u>	<u>\$ 827,703</u>	<u>\$ 932,402</u>	<u>\$ 104,699</u>



# CITY OF ELLENSBURG, WASHINGTON

## Drug Fund 137

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	1,600	1,600	2,075	475
Investment earnings	-	-	166	166
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>1,600</b>	<b>1,600</b>	<b>2,241</b>	<b>641</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	9,745	9,745	3,885	5,860
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	9,745	9,745	3,885	5,860
Excess(deficiency) of revenues over expenditures	(8,145)	(8,145)	(1,644)	6,501
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(8,145)	(8,145)	(1,644)	6,501
Fund balances-beginning	15,316	19,478	19,478	-
Fund balances-ending	\$ 7,171	\$ 11,333	\$ 17,834	\$ 6,501

# CITY OF ELLENSBURG, WASHINGTON

## CATV O & M Fund 150

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	93,200	93,200	92,209	(991)
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	92	92
Fines & forfeits	-	-	-	-
Investment earnings	-	-	985	985
Net change in fair value of investment	-	-	(220)	(220)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>93,200</b>	<b>93,200</b>	<b>93,065</b>	<b>(135)</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	96,228	96,228	83,315	12,913
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	96,228	96,228	83,315	12,913
Excess(deficiency) of revenues over expenditures	(3,028)	(3,028)	9,750	12,778
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	19,540	19,540	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	19,540	19,540	-
Net change in fund balance	(3,028)	16,512	29,290	12,778
Fund balances-beginning	56,254	110,146	110,146	-
Fund balances-ending	\$ 53,226	\$ 126,658	\$ 139,437	\$ 12,778

# CITY OF ELLENSBURG, WASHINGTON

## CATV Capital Fund 155

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(19,540)	(19,540)	(0)
Total other financing sources & uses	-	(19,540)	(19,540)	(0)
Net change in fund balance	-	(19,540)	(19,540)	-
Fund balances-beginning	-	19,540	19,540	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

# CITY OF ELLENSBURG, WASHINGTON

## Park Acquisition Fund 160

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,921	1,921	2,093	172
Charges for services	35,000	325,000	337,802	12,802
Fines & forfeits	-	-	-	-
Investment earnings	-	-	6,208	6,208
Net change in fair value of investment	-	-	(2,457)	(2,457)
Miscellaneous	-	-	10,000	10,000
<b>Total revenues</b>	<b>36,921</b>	<b>326,921</b>	<b>353,647</b>	<b>26,726</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	185,000	200,000	98,030	101,970
Total expenditures	185,000	200,000	98,030	101,970
Excess(deficiency) of revenues over expenditures	(148,079)	126,921	255,617	128,696
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(62,650)	(62,650)
Total other financing sources & uses	-	-	(62,650)	(62,650)
Net change in fund balance	(148,079)	126,921	192,968	66,047
Fund balances-beginning	169,908	488,704	488,704	-
Fund balances-ending	\$ 21,829	\$ 615,625	\$ 681,672	\$ 66,047

# CITY OF ELLENSBURG, WASHINGTON

## Art Acquisition Fund 162

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,000	1,000	1,005	5
Fines & forfeits	-	-	-	-
Investment earnings	-	-	434	434
Net change in fair value of investment	-	-	-	-
Miscellaneous	50	50	-	(50)
<b>Total revenues</b>	<b>1,050</b>	<b>1,050</b>	<b>1,439</b>	<b>389</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Transportation	-	-	-	-
Charges for services	-	-	-	-
Culture & Recreation	48,487	48,487	30,622	17,865
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	48,487	48,487	30,622	17,865
Excess(deficiency) of revenues over expenditures	(47,437)	(47,437)	(29,183)	18,254
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	50,000	50,000	50,000	-
Transfers out	-	-	-	-
Total other financing sources & uses	50,000	50,000	50,000	-
Net change in fund balance	2,563	2,563	20,817	18,254
Fund balances-beginning	-	16,645	16,647	2
<b>Fund balances-ending</b>	<b>\$ 2,563</b>	<b>\$ 19,208</b>	<b>\$ 37,464</b>	<b>\$ 18,256</b>

# CITY OF ELLENSBURG, WASHINGTON

## Lodging Tax Fund 165

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	495,000	495,000	551,890	56,890
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	1,000	1,000	5,119	4,119
Net change in fair value of investment	-	-	(39)	(39)
Miscellaneous	-	-	-	-
Total revenues	<u>496,000</u>	<u>496,000</u>	<u>556,970</u>	<u>60,970</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	495,000	495,000	475,746	19,254
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	125,000	125,000	-	125,000
Total expenditures	<u>620,000</u>	<u>620,000</u>	<u>475,746</u>	<u>144,254</u>
Excess(deficiency) of revenues over expenditures	<u>(124,000)</u>	<u>(124,000)</u>	<u>81,224</u>	<u>205,224</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	10,200	10,200
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>10,200</u>	<u>10,200</u>
Net change in fund balance	<u>(124,000)</u>	<u>(124,000)</u>	<u>91,424</u>	<u>215,424</u>
Fund balances-beginning	235,170	499,862	499,862	-
Fund balances-ending	<u>\$ 111,170</u>	<u>\$ 375,862</u>	<u>\$ 591,286</u>	<u>\$ 215,424</u>

# CITY OF ELLENSBURG, WASHINGTON

## CHIP Reserve Fund 170

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(7,403)	(7,403)
Total other financing sources & uses	-	-	(7,403)	(7,403)
Net change in fund balance	-	-	(7,403)	(7,403)
Fund balances-beginning	-	7,403	7,403	-
Fund balances-ending	\$ -	\$ 7,403	\$ -	\$ (7,403)

# CITY OF ELLENSBURG, WASHINGTON

## G.O. Bond Fund 225

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	120,000	120,000	120,000	-
Interest and other charges	97,500	97,650	97,197	453
Capital outlay	-	-	-	-
Total expenditures	217,500	217,650	217,197	453
Excess(deficiency) of revenues over expenditures	(217,500)	(217,650)	(217,197)	(453)
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	217,500	217,500	217,500	-
Transfers out	-	-	-	-
Total other financing sources & uses	217,500	217,500	217,500	-
Net change in fund balance	-	(150)	303	(453)
Fund balances-beginning	39,915	79,804	39,889	(39,915)
Fund balances-ending	\$ 39,915	\$ 79,654	\$ 40,192	\$ (40,368)



# CITY OF ELLENSBURG, WASHINGTON

## Library Construction Debt Fund 230

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 175,000	\$ 175,000	\$ 173,840	\$ (1,160)
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>173,840</u>	<u>(1,160)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	135,000	135,000	135,000	-
Interest and other charges	28,650	28,800	28,348	-
Capital outlay	-	-	-	-
Total expenditures	<u>163,650</u>	<u>163,800</u>	<u>163,348</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>11,350</u>	<u>11,200</u>	<u>10,492</u>	<u>(708)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	11,350	11,200	10,492	(708)
Fund balances-beginning	51,159	79,814	68,570	(11,244)
Fund balances-ending	<u>\$ 62,509</u>	<u>\$ 91,014</u>	<u>\$ 79,062</u>	<u>\$ (11,952)</u>

# CITY OF ELLENSBURG, WASHINGTON

## G.O. Bond Debt Fund 240

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	11,004	11,004
Fund balances-ending	\$ -	\$ -	\$ 11,004	\$ 11,004

# CITY OF ELLENSBURG, WASHINGTON

## Telecom LTGO Bond Fund 250

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Charges for services	-	-	-	-
Special assessments	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	10,701	-	10,701
Interest and other charges	-	8,371	-	8,371
Capital outlay	-	-	-	-
Total expenditures	-	19,072	-	19,072
Excess(deficiency) of revenues over expenditures	-	(19,072)	-	19,072
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	-	-	-
Transfers in	-	19,073	-	19,073
Transfers out	-	-	-	-
Total other financing sources & uses	-	19,073	-	19,073
Net change in fund balance	-	1	-	(1)
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$ -	\$ 1	\$ -	\$ (1)

# City of Ellensburg, Washington

## Facility Capital Fund 340

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
General government	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	21,233	(21,233)
Capital outlay	-	400,000	21,996	378,004
Total expenditures	-	400,000	43,228	356,772
Excess(deficiency) of revenues over expenditures	-	(400,000)	(43,228)	356,772
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issue Proceeds	-	7,200,000	121,200	(7,078,800)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	7,200,000	121,200	-
Net change in fund balance	-	6,800,000	77,972	356,772
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ -</b>	<b>\$ 6,800,000</b>	<b>\$ 77,972</b>	<b>\$ 356,772</b>

# CITY OF ELLENSBURG, WASHINGTON

## Capital Projects fund 365

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	2,626	2,626
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	2,626	2,626
<b>EXPENDITURES:</b>				
Current:				
General Government	-	22,314	15,579	6,735
Judicial Services	-	-	-	-
Public Safety	540,000	540,000	12,481	527,519
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	50,000	50,000	117,081	(67,081)
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	590,000	612,314	145,142	467,172
Excess(deficiency) of revenues over expenditures	(590,000)	(612,314)	(142,515)	469,799
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Issue Proceeds	-	-	-	-
Transfers in	590,000	590,000	590,000	-
Transfers out	-	-	-	-
Compensation for Loss/Impairment of Capital Asset	-	-	-	-
Total other financing sources & uses	590,000	590,000	590,000	-
Net change in fund balance	-	(22,314)	447,485	469,799
Fund balances-beginning	-	22,314	22,315	-
Fund balances-ending	\$ -	\$ -	\$ 469,799	\$ 469,799

# City of Ellensburg, Washington

## Sidewalk Improvement Fund 366

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	200,000	200,000	388,732	188,732
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	1,100	1,100	5,354	4,254
Net change in fair value of investment	-	-	(212)	(212)
Miscellaneous	15,000	15,000	-	(15,000)
<b>Total revenues</b>	<b>216,100</b>	<b>216,100</b>	<b>393,874</b>	<b>177,774</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	188,235	(188,235)
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	160,000	160,000	-	160,000
Total expenditures	160,000	160,000	188,235	(28,235)
Excess(deficiency) of revenues over expenditures	56,100	56,100	205,639	149,539
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(54,000)	(150,062)	(96,062)	54,000
Other adjustments	-	-	-	-
Net change in fund balance	2,100	(93,962)	109,577	149,539
Fund balances-beginning	307,167	508,941	508,941	-
<b>Fund balances-ending</b>	<b>\$ 309,267</b>	<b>\$ 414,979</b>	<b>\$ 618,518</b>	<b>\$ 203,539</b>

# City of Ellensburg, Washington

## Library Trust Fund 605

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	1,400	1,400	2,851	1,451
Net change in fair value of investment	-	-	(1,468)	(1,468)
Miscellaneous	6,100	6,100	10,597	4,497
<b>Total revenues</b>	<b>7,500</b>	<b>7,500</b>	<b>11,979</b>	<b>4,479</b>
<b>EXPENDITURES:</b>				
Current:				
Current:	-	-	-	-
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	8,800	8,800	4,340	(4,460)
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	8,800	8,800	4,340	(4,460)
Excess(deficiency) of revenues over expenditures	(1,300)	(1,300)	7,640	8,940
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Net change in fund balance	(1,300)	(1,300)	7,640	8,940
Fund balances-beginning	274,149	300,446	300,446	-
Prior period adjustments	-	-	-	-
<b>Fund balances-ending</b>	<b>\$ 272,849</b>	<b>\$ 299,146</b>	<b>\$ 308,086</b>	<b>8,940</b>

# City of Ellensburg, Washington

## Hal Holmes Trust Fund 621

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	64,200	64,200
Miscellaneous	-	-	-	-
Total revenues	-	-	64,200	64,200
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	64,200	64,200
<b>OTHER FINANCING SOURCES (USES):</b>				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	64,200	64,200
Fund balances-beginning	439,603	456,599	456,599	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 439,603	\$ 456,599	\$ 520,798	\$ 64,200



## **CITY OF ELLENSBURG, WASHINGTON**

### **Nonmajor Enterprise Funds**

Enterprise funds are used by the City of Ellensburg to account for operations that are financed and operated in a manner similar to a private business enterprise.

**Utility Deposit-** A fund used to account for customer utility deposits.

**Telecommunications** - A fund used to account for the collection and distributions associated with the operations, maintenance, and debt service of the electronics used to interconnect the City to other governmental entities.

**Stormwater-** A fund used to account for the collection and distributions associated with the operation and maintenance of a storm water utility. The fund is supported through service charge.

# CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 December 31, 2017

	Enterprise Funds			
	Utility Deposit	Telecom	Storm Water	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 40,213	\$ 82,716	\$ 618,201	\$ 741,131
Investments	214,739	-	50,246	264,986
Accounts	-	3,020	125,960	128,980
Due from other funds	-	-	664	664
Due from other governments	-	26,240	-	26,240
Restricted assets:				
Cash and cash equivalents	327,056	-	-	327,056
Total current assets	582,008	111,977	795,071	1,489,056
Noncurrent assets:				
Capital assets, net (Note1)				
Land	-	-	940,739	940,739
Buildings	-	111,838	458,451	570,289
Improvements	-	1,592,033	1,347,802	2,939,836
Machinery & equipment	-	226,108	20,935	247,043
Construction in progress	-	7,392	394,852	402,244
Less accumulated depreciation	-	(331,128)	(274,667)	(605,795)
Total noncurrent assets	-	1,606,243	2,888,112	4,494,355
Total Assets	582,008	1,718,220	3,683,183	5,983,411
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources pension	-	-	10,317	10,317
Total Deferred Outflows of Resources	-	-	10,317	10,317
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	-	12,470	21,428	33,899
Wages and benefits payable	-	735	16,454	17,190
Due to other funds	-	9,605	112	9,717
Due to other governments	-	8,162	1,953	10,115
Interfund Loan Payable	-	-	941,823	941,823
Other liabilities	539,049	652	287	539,988
Due within one year	-	11,324	-	11,324
Total current liabilities	539,049	42,949	982,058	1,564,055
Non current liabilities (Note 2):				
Due in more than one year	-	268,218	21,818	290,036
Net Pension Liability	-	-	107,441	107,441
Total noncurrent assets	-	268,218	129,259	397,477
Total Liabilities	539,049	311,167	1,111,317	1,961,532
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources pension	-	-	13,984	13,984
Total Deferred Inflows of Resources	-	-	13,984	13,984
<b>NET POSITION</b>				
Net Investment in capital assets	-	1,326,702	2,888,112	4,214,813
Unrestricted	42,959	80,352	(319,912)	(196,601)
Total Net Position	\$ 42,959	\$ 1,407,053	\$ 2,568,199	\$ 4,018,212

## CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2017

	Enterprise Funds			
	Utility Deposit	Telecom	Storm Water	Total
Operating revenues:				
Charges for services	\$ -	\$ 249,893	\$ 948,514	\$ 1,198,406
Total operating revenues	-	249,893	948,514	1,198,406
Operating expenses:				
Operating expenses	-	138,147	586,690	724,837
Maintenance	-	-	107,320	107,320
Depreciation	-	100,456	69,429	169,885
Taxes	-	740	14,064	14,804
Total operating expenses	-	239,342	777,504	1,016,846
Operating income	-	10,550	171,010	181,560
Nonoperating revenue (expenses)				
Intergovernmental revenues	-	97,277	73,044	170,321
Interest and investment revenue	4,152	665	4,495	9,312
Net change in fair value of investment	-	-	246	246
Interest expense	-	(9,023)	-	(9,023)
Total nonoperating expenses	4,152	88,919	77,786	170,857
Income (loss) before contributions & transfers	4,152	99,469	248,796	352,417
Capital contributions	-	-	73,284	73,284
Transfers out	-	-	(59,636)	(59,636)
Change in net position	4,152	99,469	262,444	366,065
Total net position - beginning	38,807	1,597,828	2,305,755	3,942,390
Prior period adjustments	-	(290,243)	-	(290,243)
Total net position - ending	\$ 42,959	\$ 1,407,053	\$ 2,568,199	\$ 4,018,212

## CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2017

	Utility Deposit	Telecom	Storm Water	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ -	\$ 166,596	\$ 1,234,951	\$ 1,401,547
Receipts for interfund services provided	-	98,853	3,103	101,955
Payments to suppliers	(76,060)	(89,981)	(207,023)	(373,064)
Payment for interfund services used	-	(709)	(389,544)	(390,253)
Payments to employees	-	(24,700)	(225,735)	(250,435)
Net Cash Provided by Operating Activities	(76,060)	150,059	415,751	489,751
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	-	-	(59,636)	(59,636)
Net Cash Provided (Used) by Noncapital Activities	-	-	(59,636)	(59,636)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Loan/grant proceeds	-	97,277	73,044	170,321
Proceeds from interfund loan	-	-	941,823	941,823
Proceeds from the bond sale	-	-	-	-
Purchases of capital assets	-	(148,221)	(1,080,827)	(1,229,048)
Principal paid on capital debt	-	(10,701)	-	(10,701)
Interest paid on capital debt	-	(8,371)	-	(8,371)
Net Cash from Related Financing Activities	-	(70,016)	(65,960)	(135,976)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment purchases	(30,617)	-	-	(30,617)
Interest and dividends	5,390	665	4,495	10,551
Net Cash Provided (Used) by Investing Activities	(25,226)	665	4,495	(20,066)
Net Increase (decrease) in cash and cash equivalents	(101,286)	80,708	294,651	274,073
Balances - beginning of the year	468,555	2,009	323,550	794,114
Balances - end of the year	\$ 367,269	\$ 82,716	\$ 618,201	\$ 1,068,187
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	-	10,550	171,010	181,560
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	-	100,456	69,429	169,885
Change in assets and liabilities:				
Receivables, net	-	(3,020)	(10,726)	(13,747)
DFOF	-	4,200	10	4,210
DFOG	-	14,376	300,257	314,633
Accounts and other payables	(76,060)	5,086	(47,632)	(118,606)
DTOF	-	9,513	51	9,564
DTOG	-	8,162	1,953	10,115
Employee benefits	-	735	8,742	9,477
Deferred outflows of resources	-	-	15,199	15,199
Deferred inflows of resources	-	-	11,416	11,416
Net pension liability	-	-	(103,957)	(103,957)
Net Cash Provided by Operating Activities	\$ (76,060)	\$ 150,059	\$ 415,751	\$ 489,751
<b>Noncash Investing, capital, and financing activities:</b>				
Contributions of capital assets			73,284	73,284
Increase in fair value of investments	(1,238.38)		(246.00)	(1,484.38)

# CITY OF ELLENSBURG, WASHINGTON

## Internal Service Funds

Internal Service Funds are used by the City of Ellensburg to account for the financing of goods and services provided by a department or agency to other departments or agencies of the City of Ellensburg or to the other governmental units on a cost reimbursement basis.

**Equipment Rental and Revolving Fund-** A fund used to account for the operation of the City of Ellensburg vehicles and rental of equipment to other funds within the City.

**Information Services-** A fund used to account for the operation of data processing services to the City of Ellensburg departments, computer rentals, and GIS services etc.

**Health and Benefits Fund** – A fund used for the purpose of collecting and paying medical, dental, vision and life insurance premiums, insurance claims, administrative costs, and other related benefit costs.

**Risk Management** – This fund accounts for claims made against the City that is not covered by insurance and also for the allocation of property insurance expense.

# CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Position  
Internal Service Funds  
December 31, 2017

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 3,663,031	\$ 643,053	\$ 887,717	\$ 557,223	\$ 5,751,024
Deposits with fiscal agents	-	-	75,637	-	75,637
Investments	1,628,331	163,320	442,341	106,558	2,340,550
Receivables(net)	35,888	-	14,429	-	50,317
Due from other funds	1,370	4,937	-	-	6,307
Due from other governments	15,920	18,229	-	-	34,149
Inventories	68,160	-	-	-	68,160
Interfund loan receivables	941,823	-	-	-	941,823
Total Current Assets	6,354,523	829,539	1,420,124	663,782	9,267,968
Noncurrent Assets					
Land	440,725	-	-	-	440,725
Buildings	1,459,544	-	-	-	1,459,544
Improvements	285,163	-	-	-	285,163
Machinery & equipment	6,052,678	846,260	-	-	6,898,938
Less accumulated depreciation	(5,371,315)	(653,597)	-	-	(6,024,912)
Construction In progress	95,883	-	-	-	95,883
Net property plant & equipment	2,962,678	192,663	-	-	3,155,341
Total Assets	9,317,200	1,022,202	1,420,124	663,782	12,423,309
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources pension	14,141	12,540	-	-	26,680
Total Deferred Outflows of Resources	14,141	12,540	-	-	26,680
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	13,889	57,154	90,482	3,982	165,507
Wages and benefits payable	36,640	51,042	-	-	87,682
Due to other funds	7,944	333	-	-	8,277
Due to other Governments	140	1,080	-	-	1,220
Total Current Liabilities	58,612	109,609	90,482	3,982	262,686
Long-Term Liabilities:					
Net Pension Liability	99,897	88,588	-	-	188,485
Due in more than one year	64,556	18,403	-	-	82,958
Total Long-Term Liabilities	164,453	106,991	-	-	271,444
Total Liabilities	223,065	216,600	90,482	3,982	534,129
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension inflows	31,052	27,536	-	-	58,588
Total Deferred Inflows of Resources	31,052	27,536	-	-	58,588
<b>NET POSITION</b>					
Net Investment in capital assets,	2,962,678	192,663	-	-	3,155,341
Unrestricted	6,114,546	597,942	1,329,642	659,800	8,701,930
Total Net Position	\$ 9,077,224	\$ 790,605	\$ 1,329,642	\$ 659,800	\$ 11,857,271

## CITY OF ELLENSBURG, WASHINGTON

### Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

#### Internal Service Funds

For the Year Ended December 31, 2017

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
Operating revenues:					
Charges for services	\$ 314,322	\$ 1,243,843	\$ -	\$ 670,013	\$ 2,228,178
Miscellaneous	1,730,350	7,560	2,033,851	6,060	3,777,821
Total operating revenues	2,044,672	1,251,403	2,033,851	676,073	6,005,999
Operating expenses:					
Operating expenses	426,217	940,062	1,825,038	547,591	3,738,908
Maintenance	630,904	-	-	-	630,904
Depreciation	441,008	42,334	-	-	483,342
Total operating expenses	1,498,129	982,397	1,825,038	547,591	4,853,154
Operating income	546,543	269,007	208,813	128,482	1,152,845
Nonoperating revenue (expenses)					
Intergovernmental revenues	-	-	-	-	-
Interest and investment rev.	56,534	6,389	12,554	6,014	81,490
Net change in fair value of investment	(20,574)	(2,249)	(2,211)	(1,653)	(26,687)
Gain/Loss on sale of Assets	43,445	-	-	-	43,445
Total nonoperating revenue (expenses)	79,405	4,139	10,343	4,361	98,249
Income (loss) before contributions & transfers	625,948	273,146	219,156	132,844	1,251,094
Transfers in	134,198	-	-	-	134,198
Change in net assets	760,146	273,146	219,156	132,844	1,385,292
Total net position - beginning	8,317,078	515,904	1,110,486	526,956	10,470,424
Prior Period Adjustments		1,554			1,554
Total net position - ending	\$ 9,077,224	\$ 790,605	\$ 1,329,642	\$ 659,800	\$ 11,857,271

## CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2017

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ (26,779)	\$ 25,441	\$ 100,938	\$ -	\$ 99,600
Receipt for interfund service provided	2,036,924	1,210,843	1,918,484	676,073	5,842,324
Payments to suppliers	(455,142)	(482,717)	(1,753,620)	(543,609)	(3,235,088)
Payment for interfund service used	(129,758)	333	-	-	(129,425)
Payments to employees	(473,077)	(540,922)	-	-	(1,013,999)
Other Operating Cash Receipts	1,569	-	-	-	1,569
Net Cash Provided (Used) by Operating Activities	953,736	212,978	265,802	132,464	1,564,981
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	134,198	-	-	-	134,198
Interfund loan receivable (payable)	(941,823)	-	-	-	(941,823)
Net Cash Provided by Noncapital Activities	(807,625)	-	-	-	(807,625)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceed from sale assets	43,445	-	-	-	43,445
Purchases of capital assets	(553,906)	(80,817)	-	-	(634,723)
Net Cash from Related Financing Activities	(510,461)	(80,817)	-	-	(591,278)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	1,310,474	-	-	-	1,310,474
Investment purchases	(2,105,808)	(165,569)	(194,552)	(8,211)	(2,474,140)
Interest and dividends	56,534	6,389	12,554	6,014	81,490
Net Cash Provided (Used) by Investing Activities	(738,800)	(159,180)	(181,998)	(2,197)	(1,082,176)
Net Increase (decrease) in cash and cash equivalents	(1,103,149)	(27,019)	83,804	130,267	(916,097)
Balances - beginning of the year	4,766,180	668,518	879,550	426,956	6,741,204
Prior period adjustment		1,554			1,554
Balances - end of the year	3,663,031	643,053	963,354	557,223	5,826,662
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	546,543	269,007	208,813	128,482	1,152,845
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	441,008	42,334	-	-	483,342
Change in assets and liabilities:					
Receivables, net	(35,816)	-	(14,429)	-	(50,245)
Due from other funds	18,778	(4,937)	-	-	13,841
Due from other governments	(15,920)	(15,119)	-	-	(31,039)
Inventories	(2,023)	-	-	-	(2,023)
Accounts and other payables	(19,386)	(73,138)	71,418	3,982	(17,124)
Due to other funds	(569)	333	-	-	(236)
Due to other government	140	1,080	-	-	1,220
Employee benefits	25,209	27,391	-	-	52,600
Deferred outflows of resources	5,312	12,219	-	-	17,531
Deferred inflows of resources	29,094	25,045	-	-	54,140
Net pension liability	(38,634)	(71,237)	-	-	(109,871)
Net Cash Provided by Operating Activities	\$ 953,736	\$ 212,978	\$ 265,802	\$ 132,464	1,564,981
<b>Noncash Investing, capital, and financing activities:</b>					
Increase in fair value of investments	(20,574)	(2,249)	(2,211)	(1,653)	(26,687)



## CITY OF ELLENSBURG, WASHINGTON

### Agency Funds

Agency fund is used by a governmental entity to report assets that are held in a custodial relationship. In a typical custodial relationship, a governmental entity receiving assets may temporarily invest those assets and then remit those assets to individuals, private organizations, or other governments.

**LID Guarantee Fund**- A fund used to account for the monies reserved for the payment of the special improvement districts.

**LID Fund**- A fund used to account for the activity of the special improvement districts.

**Intergovernmental Custodial** – A fund used for the purpose of collecting and remitting payments to the State of Washington.

# City of Ellensburg, Washington

## Combining Statement of Fiduciary Net Position

Agency Funds

December 31, 2017

	LID Guarantee Fund	LID Fund	Intergovernmental Custodial	Total Agency Funds
<b>ASSETS</b>				
Cash	\$ 132,508	\$ 55,437	\$ 2,612	\$ 190,557
Receivable, (Net)		148	4,557	4,705
Special Assessments		112,033		112,033
Total Assets	<u>132,508</u>	<u>167,618</u>	<u>7,169</u>	<u>307,295</u>
<b>LIABILITIES</b>				
Accounts payable	-		-	-
Notes Payable		112,033		112,033
Other Liabilities	132,508	55,585	7,169	195,262
Total Liabilities	<u>\$ 132,508</u>	<u>\$ 167,618</u>	<u>\$ 7,169</u>	<u>\$ 307,295</u>

# City of Ellensburg, Washington

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

December 31, 2017

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
<b>LID Guarantee Fund</b>				
<b>ASSETS</b>				
Cash	\$ 131,378	\$ 1,130		\$ 132,508
Total Assets	<u>131,378</u>	<u>1,130</u>	<u>-</u>	<u>132,508</u>
<b>LIABILITIES</b>				
Other Liabilities	131,378	1,130		132,508
Total Liabilities	<u>131,378</u>	<u>1,130</u>	<u>-</u>	<u>132,508</u>
<b>LID Fund</b>				
<b>ASSETS</b>				
Cash	71,289	191,541	207,393	55,437
Receivables (Net)	1,223	31,443	32,518	148
Special Assessments	288,020	-	175,988	112,033
Total Assets	<u>360,532</u>	<u>222,984</u>	<u>415,899</u>	<u>167,618</u>
<b>LIABILITIES</b>				
Notes Payable	288,020		175,988	112,033
Other Liabilities	72,512		16,927	55,585
Total Liabilities	<u>360,532</u>		<u>192,915</u>	<u>167,618</u>
<b>Intergovernmental Custodial</b>				
<b>ASSETS</b>				
Cash	5,898	10,425,656	10,428,942	2,612
Receivables (Net)	-	135,904	131,347	4,557
Total Assets	<u>5,898</u>	<u>10,561,560</u>	<u>10,560,289</u>	<u>7,169</u>
<b>LIABILITIES</b>				
Accounts Payable				-
Other Liabilities	5,898	10,490,603	10,491,874	7,169
Total Liabilities	<u>\$ 5,898</u>	<u>\$ 10,490,603</u>	<u>\$ 10,491,874</u>	<u>\$ 7,169</u>



## Supplementary Information

**City of Ellensburg**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2017**

<b>Ellensburg Identifier</b>	<b>Fund</b>	<b>State Agency BARS Account</b>	<b>Program Title</b>	<b>Identification #</b>	<b>Amount</b>
Public Transit	127		334036 Consolidated Grant - Operating	GCB2590	221,917.00
State Grant - RTPO	123		334036 UPWP Project Selections SFY18-19	Quadco - NA	6,681.11
State Grant - RTPO	123		334036 Unified Planning Work Program	Quadco - NA	2,491.80
WSDOT Bike Boulevard	123		334036 2015 Pedestrian Bicycle Safety	HLP-PB15(013)/LA-8879	107,200.00
WSDOT Bike Counters	123		334036 Ellensburg Pedestrian & Bike Counters	HLP-PB15(020)/LA-9004	22,610.00
UAP Grant Vantage/Phenning Signalization	123		334038 Transportation Improvement Program	TIB-8-4-175(018)-1	460,955.00
LED Street Light Conversion UAP Grant	123		334038 Relight Washington (TIB)	S-E-175(001)-1	700,901.00
DOE Capacity Grant	431		334031 FY2015-2017 Stormwater Capacity Bldg Grant	WQSWCAP-1517-Elle PW-00102	21,502.53
DOE Reecer Creek	431		334031 Floodplain by Design	G1400637	1,019,581.28

**City of Ellensburg**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

<b>Fund</b>	<b>Ellensburg Identifier</b>	<b>CFDA #</b>	<b>Federal Agency Name (Optional)</b>	<b>Federal Program Name (Optional)</b>	<b>Pass-Through Agency Name</b>	<b>Other Award I.D. Number</b>	<b>Total</b>	<b>Passed Through to Subrecipients</b>	<b>Footnote Ref.</b>
016	Bulletproof Vest Partnership Grant	16.607	US Department of Justice	Bulletproof Vest Partnership Alcohol Impaired Driving Countermeasures			1,582		1
016	High Visibility Enforcement OT Grant	20.601	National Highway Traffic Safety Administration	Incentive Grant I John Wayne Trail	WA Traffic Safety Commission		2,157		1
123	John Wayne Trail Reconnect Section	20.205	FHWA	Reconnect Section	WSDOT	TAP-9919(001)/LA-8620	357,820		1, 2
123	JWT Trail S of 18th	20.205	FHWA	TAP Funds	WSDOT	TAP-9919(0002)/LA-9180	8,298		1, 2
123	University Way Overlay	20.205	FHWA	University Way Overlay Special Programs for the Aging	WSDOT	STPUS-6900(006)/LA-8876	5,145		1, 2
022	Senior Footcare	93.044	Administration for Community Living		SW WA ALTC	ALTCPSA 2017-21	3,060		1

CITY OF ELLENSBURG, WASHINGTON

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2017**

Notes 1, 2 and 7 are required for all governments. Disclose other notes only if applicable to the government's circumstances.

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City financial statements. The City uses the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for the non-governmental funds.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 7 – INDIRECT COST RATE

The amount expended includes \$0 claimed as an indirect cost recovery. The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



Other Supplemental Schedules For  
GASB 54



# CITY OF ELLENSBURG, WASHINGTON

## Street Fund 120

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	322,809	322,809	303,480	(19,329)
Charges for services	61,200	100,665	288,013	187,348
Fines & forfeits	-	-	-	-
Investment earnings	1,000	1,000	9,577	8,577
Net change in fair value of investment	-	-	(2,812)	(2,812)
Miscellaneous	500	500	2,356	1,856
Total revenues	<u>385,509</u>	<u>424,974</u>	<u>600,614</u>	<u>175,640</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	54,100	93,565	101,358	(7,793)
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	2,173,488	2,431,747	1,813,329	618,419
Social Services	-	-	-	-
Natural and Economic	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	<u>2,227,588</u>	<u>2,525,312</u>	<u>1,914,687</u>	<u>610,625</u>
Excess(deficiency) of revenues over expenditures	<u>(1,842,079)</u>	<u>(2,100,338)</u>	<u>(1,314,073)</u>	<u>786,265</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	1,460,000	1,718,259	1,578,259	(140,000)
Transfers out	-	-	-	-
Total other financing sources & uses	<u>1,460,000</u>	<u>1,718,259</u>	<u>1,578,259</u>	<u>(140,000)</u>
Net change in fund balance	<u>(382,079)</u>	<u>(382,079)</u>	<u>264,186</u>	<u>646,265</u>
Fund balances-beginning	889,801	939,026	979,729	40,703
Prior period adjustments	-	-	5,146	5,146
Fund balances-ending	<u>\$ 507,722</u>	<u>\$ 556,947</u>	<u>\$ 1,249,061</u>	<u>\$ 692,114</u>

# City of Ellensburg, Washington

## Sales Tax Fund 140

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Retail sales & use taxes	4,594,436	4,594,436	4,895,235	300,799
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	5,000	5,000	13,035	8,035
Net change in fair value of investment	-	-	(5,965)	(5,965)
Miscellaneous	-	-	-	-
Total revenues	<u>4,599,436</u>	<u>4,599,436</u>	<u>4,902,305</u>	<u>302,869</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>4,599,436</u>	<u>4,599,436</u>	<u>4,902,305</u>	<u>302,869</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(4,428,420)	(4,929,614)	(4,686,679)	242,935
Total other financing sources & uses	<u>(4,428,420)</u>	<u>(4,929,614)</u>	<u>(4,686,679)</u>	<u>242,935</u>
Net change in fund balance	171,016	(330,178)	215,626	545,804
Fund balances-beginning	1,230,072	2,223,084	2,223,084	-
Fund balances-ending	<u>\$ 1,401,088</u>	<u>\$ 1,892,906</u>	<u>\$ 2,438,710</u>	<u>\$ 545,804</u>

# CITY OF ELLENSBURG, WASHINGTON

## Police Vehicles Fund 159

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Net change in fair value of investment	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	43,922	43,922	44,080	(158)
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	30,900	30,900	-	30,900
<b>Total expenditures</b>	<b>74,822</b>	<b>74,822</b>	<b>44,080</b>	<b>30,742</b>
Excess(deficiency) of revenues over expenditures	(74,822)	(74,822)	(44,080)	30,742
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposition of capital assets	-	-	3,316	3,316
Transfers in	75,920	75,920	75,920	-
Transfers out	-	-	-	-
<b>Total other financing sources &amp; uses</b>	<b>75,920</b>	<b>75,920</b>	<b>79,236</b>	<b>3,316</b>
<b>Net change in fund balance</b>	<b>1,098</b>	<b>1,098</b>	<b>35,156</b>	<b>34,058</b>
Fund balances-beginning	9,372	21,948	21,948	-
<b>Fund balances-ending</b>	<b>\$ 10,470</b>	<b>\$ 23,046</b>	<b>\$ 57,104</b>	<b>\$ 34,058</b>



## Statistical Information

**CITY OF ELLENSBURG, WASHINGTON  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017  
INDEX**

<b>STATISTICAL SECTION</b>	<b>Page</b>
<b><u>Financial Trends</u></b>	137
<p>These schedules contain trend information to assist the reader in understanding how the City's financial performance and well being have changed over time.</p>	
<b><u>Revenue Capacity</u></b>	143
<p>These schedules contain information to assist the reader in assessing the City's significant local revenues source of property taxes.</p>	
<b><u>Debt Capacity</u></b>	147
<p>These schedules present information to assist the reader in assessing the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</p>	
<b><u>Demographic and Economic Information</u></b>	157
<p>These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the government's financial activities take place.</p>	
<b><u>Operating Information</u></b>	158
<p>These Schedules contain service and infrastructure data to help the reader understand how the information in the government's financial reports relates to the services the government provides and the activities it performs.</p>	

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

CITY OF ELLENSBURG  
Schedule of changes in Net Position/Net Position by Component  
LAST TEN YEARS ( \* )  
(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General governments	\$ 2,799	\$ 2,868	\$ 2,666	\$ 2,695	\$ 2,557	\$ 3,751	\$ 3,956	\$ 4,576	\$ 4,987	\$ 5,165
Public Safety	4,436	5,283	4,893	5,027	5,459	4,963	4,925	4,713	4,352	5,498
Utilities	936	970	988	995	1,035	-	-	-	-	-
Transportation	2,498	2,676	3,477	3,346	4,105	3,852	4,406	4,350	5,378	4,740
Social Services	-	17	6	6	6	196	199	205	193	191
Natural and Economic	829	791	965	1,077	1,223	1,967	1,826	1,766	1,877	1,967
Culture and Recreation	3,017	2,846	2,914	2,941	3,242	3,232	3,296	3,493	3,598	3,848
Interest on Longterm Debt	333	315	413	390	322	203	228	148	137	147
Total governmental expenses	\$ 14,848	\$ 15,765	\$ 16,322	\$ 16,476	\$ 17,949	\$ 18,164	\$ 18,834	\$ 19,252	\$ 20,521	\$ 21,557
<b>Business Type Activities</b>										
Deposits	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telecommunications	53	51	42	40	41	71	35	270	223	237
Stormwater	-	-	131	150	241	397	595	508	615	719
Gas	8,946	9,137	9,022	8,056	6,992	7,447	7,570	6,626	6,902	6,710
Light	11,577	13,202	12,875	12,249	13,260	13,788	14,308	13,819	15,871	16,015
Water	2,687	3,011	3,275	3,265	3,070	3,731	3,790	3,666	4,098	3,747
Sewer	2,573	2,689	3,006	3,217	3,207	3,199	3,507	3,358	3,822	3,537
Total Business Type Activities	\$ 25,840	\$ 28,091	\$ 28,351	\$ 26,976	\$ 26,811	\$ 28,633	\$ 29,806	\$ 28,249	\$ 31,532	\$ 30,964
<b>Total Primary Government Expenses</b>	\$ 40,689	\$ 43,856	\$ 44,671	\$ 43,452	\$ 44,760	\$ 46,797	\$ 48,640	\$ 47,500	\$ 52,053	\$ 52,521
<b>Program Revenue</b>										
<b>Governmental Activities</b>										
General governments	\$ 1,963	\$ 1,959	\$ 2,443	\$ 2,313	\$ 2,235	\$ 3,097	\$ 3,235	\$ 3,142	\$ 3,221	\$ 3,321
Public Safety	115	109	243	102	114	173	355	183	189	163
Utilities	663	640	671	683	712	-	-	-	-	-
Transportation	135	206	81	197	165	297	428	265	422	794
Social Services	-	-	-	-	-	-	48	52	51	51
Natural and Economic	853	449	435	265	288	631	500	369	830	696
Culture and Recreation	313	335	368	381	436	757	487	603	669	775
<b>Operating Grants and Contributions</b>										
General governments	552	318	352	306	300	269	-	351	516	556
Public Safety	63	113	86	71	74	11	275	281	322	321
Utilities	-	2	-	1	-	-	-	-	-	-
Transportation	1,765	420	394	548	860	231	-	-	-	-
Social Services	-	-	-	-	-	-	3	3	-	-
Natural and Economic	127	1	33	68	53	137	128	63	-	-
Culture and Recreation	282	193	201	198	248	11	10	156	11	5
<b>Capital Grants and Contributions</b>										
General governments	23	-	-	-	-	-	377	412	404	417
Public Safety	-	-	-	-	11	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Transportation	251	645	447	5,040	1,668	1,208	1,946	1,689	1,253	1,963
Health & Human Services	-	-	-	-	-	-	-	-	-	-
Natural and Economic	3	-	-	-	-	-	-	-	-	-
Culture and Recreation	7	-	-	30	75	-	-	-	-	-
Total Governmental program revenues	\$ 7,115	\$ 5,390	\$ 5,754	\$ 10,204	\$ 7,238	\$ 6,822	\$ 7,792	\$ 7,570	\$ 7,889	\$ 9,062
<b>Business Type Activities</b>										
Deposits	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telecommunications	80	80	31	30	31	61	485	365	102	250
Stormwater	-	-	559	574	569	663	703	940	940	949
Gas	9,519	9,633	9,393	8,482	7,316	7,327	7,528	6,819	6,374	6,982
Light	12,709	13,828	12,930	12,838	13,260	14,215	14,416	15,333	15,060	16,727
Water	2,864	2,876	3,112	3,391	3,805	3,874	3,995	4,499	4,577	4,614
Sewer	2,602	2,876	2,933	3,142	3,245	3,409	3,417	3,706	3,925	4,004
<b>Operating Grants and Contributions</b>										
Telecommunications	-	-	49	49	125	-	-	-	30	97
Stormwater	-	-	-	1	-	-	81	112	300	73
Gas	-	4	-	59	-	-	-	-	-	-
Light	-	-	173	4	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Sewer	-	49	-	-	-	-	-	-	-	-
<b>Capital Grants and Contributions</b>										
Telecommunications	-	-	-	-	-	-	461	-	-	-
Stormwater	-	-	130	271	189	408	121	-	61	73
Gas	-	-	-	-	-	-	-	-	-	-
Light	-	-	-	210	360	83	-	-	-	-
Water	-	-	-	795	363	359	545	419	479	533
Sewer	-	-	-	567	250	207	361	207	260	320
Total Business Type Activities Program Revenue	\$ 27,777	\$ 29,345	\$ 29,309	\$ 30,413	\$ 29,510	\$ 30,605	\$ 32,113	\$ 32,400	\$ 32,108	\$ 34,622
<b>Total Primary Government Net Expenses</b>	\$ (5,197)	\$ (9,123)	\$ (9,607)	\$ (2,835)	\$ (8,011)	\$ (9,370)	\$ (8,735)	\$ (7,530)	\$ (12,055)	\$ (8,837)
<b>General Revenues</b>										
Property Taxes	\$ 1,930	\$ 2,146	\$ 2,151	\$ 247	\$ 2,541	\$ 2,578	\$ 2,625	\$ 2,706	\$ 2,781	\$ 2,837
Property Taxes, Levied for Debt Services	125	142	147	147	147	152	162	151	171	173
Sales and Use Taxes	4,078	4,518	4,193	4,935	4,553	4,711	5,137	5,234	6,453	7,691
Other taxes	3,438	2,978	3,092	3,040	3,088	3,447	3,011	3,275	3,258	3,630
Grants and Contributions (not restricted)	99	1,934	611	-	-	-	-	-	-	-
Investment Earnings	349	195	239	7	0	130	64	91	68	384
Gain (loss) in change of fair value	-	-	-	-	-	-	-	-	-	(54)
Miscellaneous	52	412	247	252	835	347	357	327	299	311
Disposition of Capital Assets	209	11	-	-	772	(434)	-	(60)	1	39
Total Primary Governments General Revenues	\$ 10,280	\$ 12,336	\$ 10,680	\$ 8,628	\$ 11,937	\$ 10,930	\$ 11,356	\$ 11,724	\$ 13,032	\$ 15,012
<b>Change in Net Position</b>										
Governmental Activities (includes prior period adjustments)	2,270	1,021	(407)	4,639	1,366	250	393	321	385	2,679

Business Type Activities (includes prior period adjustments)	2,212	2,194	1,480	3,410	2,560	1,468	2,229	4,143	954	3,732
<b>Total Change in Net Assets</b>	<b>\$ 4,482</b>	<b>\$ 3,215</b>	<b>\$ 1,073</b>	<b>\$ 8,048</b>	<b>\$ 3,926</b>	<b>\$ 1,719</b>	<b>\$ 2,621</b>	<b>\$ 4,464</b>	<b>\$ 1,339</b>	<b>\$ 6,411</b>
<b>Net Assets by component</b>										
Invested in Capital Assets, net of related debt	\$ 66,725	\$ 75,108	\$ 73,681	\$ 81,423	\$ 88,306	\$ 87,271	\$ 87,047	\$ 87,026	\$ 86,790	\$ 89,299
Restricted										
Prepayment/Inventory	42	-	-	-	-	-	-	-	-	-
Net Pension Asset	-	-	-	-	-	-	-	-	815	1,599
Rate Stabilization	676	676	676	676	676	-	-	-	-	-
Capital Projects	317	242	2,204	535	354	492	426	679	491	673
Construction	377	259	2,572	246	318	530	556	693	1,017	1,520
Debt Service	2,196	1,817	2,292	1,337	1,332	1,330	1,509	1,452	1,468	1,531
Transportation	-	64	1,359	817	506	719	1,003	1,101	1,399	1,873
Public Safety	-	-	275	341	318	312	375	491	674	934
Natural and Economic	-	-	496	552	804	437	463	470	489	575
Cultural and Recreation	-	-	741	825	807	1,133	1,182	1,130	1,228	1,488
Unrestricted	17,367	20,462	15,403	20,994	18,734	21,414	23,872	21,065	21,077	22,368
<b>Total Net Assets</b>	<b>\$ 87,699</b>	<b>\$ 98,627</b>	<b>\$ 99,699</b>	<b>\$ 107,748</b>	<b>\$ 112,156</b>	<b>\$ 113,637</b>	<b>\$ 116,432</b>	<b>\$ 114,108</b>	<b>\$ 115,447</b>	<b>\$ 121,860</b>

\* Data is presented since implementation of Full GASB 34

**CITY OF ELLENSBURG**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE\*\***  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Property Tax	\$2,055	\$2,208	\$2,247	\$2,637	\$2,661	\$2,712	\$2,810	\$2,899	\$2,952	\$3,019
Sales Tax	3,441	3,138	2,980	3,190	3,263	3,337	3,660	3,958	4,366	4,895
Criminal Justice Sales Tax*	484	615	590	626	629	662	719	804	917	1,004
Local Criminal Justice Tax	323	267	252	274	276	290	314	351	401	435
Admission Tax	94	101	89	90	94	95	91	99	102	101
Electric Tax	5	5	5	5	5	4	2	6	12	13
Solid Waste Tax	169	174	178	193	192	235	222	251	260	277
Television Cable	88	90	94	91	92	96	94	106	106	104
Telephone Tax	464	522	509	478	440	407	389	370	342	315
Utility Tax	1,703	1,870	1,881	1,871	1,921	1,995	1,890	2,017	2,117	2,321
Leasehold Tax	19	13	18	16	18	18	20	19	18	16
Television Cable	83	91	93	89	108	93	94	95	96	92
Motel/Hotel Tax	366	350	371	365	385	422	445	472	511	552
Real Estate Excise Tax	153	149	120	125	152	229	186	227	322	389
Distressed County Sales	-	-	-	480	-	-				
Gambling Tax	122	113	105	83	67	16	24	85	79	94
Public Transit Tax ***									162	1,148
<b>Total</b>	<b>\$9,571</b>	<b>\$9,704</b>	<b>\$9,532</b>	<b>\$10,612</b>	<b>\$10,303</b>	<b>\$10,613</b>	<b>\$10,958</b>	<b>\$11,760</b>	<b>\$12,763</b>	<b>\$14,775</b>

\* First year of tax was 2008

\*\* Includes general , special revenues, debt service ,capital service funds, library and hal holmes trusts

\*\*\*Transit Tax first year collected 2016



**CITY OF ELLENSBURG**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

	2008	2009	2010	**2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	23	23	-	-	-	-	-	-	-	-
Unreserved	1,453	2,303	3,077	-	-	-	-	-	-	-
Total General Fund	1,476	2,326	3,077	-	-	-	-	-	-	-
All other Governmental Funds										
Reserved	778	710	5,497	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	2,694	3,079	1,058	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Permanent	617	703	-	-	-	-	-	-	-	-
General fund										
Nonspendable										
Restricted										
Committed										
Assigned				60	62	166	281	235	22	57
Unassigned				4,010	371	795	910	2,869	3,936	4,528
Total General Funds				4,070	433	961	1,191	3,104	3,958	4,585
All other Governmental Funds										
Nonspendable				33	37	44	36	41	41	39
Restricted				3,085	2,487	3,089	3,502	3,884	4,349	5,622
Committed				294	315	213	156	123	150	173
Assigned				2,072	1,777	1,734	2,518	2,049	2,279	3,004
Unassigned				-	-	-	-	-	-	-
Total all other governmental funds	4,089	4,492	6,555	5,485	4,616	5,080	6,212	6,097	6,818	8,838
Total Governmental Funds	\$ 5,565	\$ 6,818	\$ 9,632	\$ 9,555	\$ 5,049	\$ 6,041	\$ 7,404	\$ 9,201	\$ 10,776	\$ 13,424

\*\* The forming and assignment of Fund balance changed in 2011 due to the implementation of GASB 54

**CITY OF ELLENSBURG**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

Revenues	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental</b>										
Taxes	\$9,571	\$9,704	\$9,532	\$10,612	\$10,303	\$10,613	\$10,958	\$11,760	\$12,663	\$14,775
Licenses and Permits	907	507	490	323	341	672	494	425	883	749
Intergovernmental	3,074	1,692	1,514	3,764	2,779	1,966	1,644	2,477	2,107	2,850
Charges for Services	3,038	3,090	3,521	3,517	3,509	4,125	4,222	3,896	4,216	4,802
Fines and Forfeits	96	101	230	111	100	158	338	292	283	225
Investment earnings									68	130
Net change in fair value of investment										28
Miscellaneous	184	530	310	245	787	374			299	213
<b>Total Governmental</b>	<b>\$16,870</b>	<b>\$15,624</b>	<b>\$15,597</b>	<b>\$18,571</b>	<b>\$17,819</b>	<b>\$17,908</b>	<b>\$17,656</b>	<b>\$18,850</b>	<b>\$20,519</b>	<b>\$23,773</b>
<b>Expenditures</b>										
<b>Governmental</b>										
General Government	\$2,634	\$2,778	\$2,833	\$2,592	\$2,615	\$3,714	\$3,621	\$3,767	\$4,016	\$4,722
Security of Person & Property	4,384	4,426	4,470	4,757	4,956	4,665	4,849	4,748	5,044	5,246
Utilities	932	976	1,003	982	1,036	0	0	0		
Transportation	1,072	1,101	1,889	1,785	2,558	2,038	2,425	2,419	3,445	2,819
Natural and Economic	861	790	963	1,076	1,230	1,959	1,826	1,802	1,931	1,918
Social Services	0	17	6	6	6	196	199	205	193	191
Culture and Recreation	2,721	2,561	2,629	2,635	2,862	2,833	2,900	3,175	3,303	3,320
Debt Service- Principal	724	694	938	508	4,270	210	1,560	225	240	255
Debt Service- Interest				397	338	209	223	163	151	162
Capital outlay and other	3,696	1,113	1,189	3,904	3,997	1,373	675	2,109	782	2,722
<b>Total Governmental</b>	<b>\$17,024</b>	<b>\$14,457</b>	<b>\$15,920</b>	<b>\$18,641</b>	<b>\$23,867</b>	<b>\$17,196</b>	<b>\$18,277</b>	<b>\$18,613</b>	<b>\$19,104</b>	<b>\$21,354</b>
Excess of revenue over(under) Expenditures	(154)	1,167	(323)	(70)	(6,048)	712	(275)	542	1,415	2,419
<b>Other Financing Sources</b>										
Bond Issued Proceeds	\$ -	\$ -	\$ 2,935							\$ 121
Bond Premiums	-	-	100	-	-	-				
Insurance recovery										2
Disposition of capital assets	209	16	7	-	1,323	-	-	1,135	1	39
Transfer In	4,237	3,317	3,724	4,136	3,437	1,884	2,201	1,750	2,444	3,189
Transfer Out	(4,187)	(3,247)	(3,628)	(4,141)	(3,217)	(1,604)	(350)	(1,630)	(2,644)	(3,204)
Other	-	-	-	-	-	-			200	
Total other financing Sources	-	-	-	-	-	-			1	147
Net Change in Fund Balance (includes prior)	259	86	3,139	(6)	1,543	280	1,850	1,255	1,416	2,648
	\$ 105	\$ 1,253	\$ 2,816	\$ (76)	\$ (4,505)	\$ 992	\$ 1,575	\$ 1,797	\$ 2,831	\$ 5,067
Debt Service as a percentage of noncapital expenditures	5.43%	5.20%	6.37%	3.55%	21.86%	1.34%	8.98%	1.38%	1.32%	1.38%

**CITY OF ELLENSBURG**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Invested in Capital Assets, net of related debt*	\$40,825	\$42,245	\$41,150	\$44,517	\$49,988	\$49,256	\$48,413	\$47,078	45,402	46,050
Restricted	801	733	5,497	3,118	2,831	3,133	3,499	3,925	5,163	7,221
Unrestricted	4,446	5,376	1,299	4,949	1,131	1,765	2,613	(1,296)	744	718
Total Governmental Type Activities Net Assets	46,072	48,354	47,946	52,584	53,951	54,154	54,524	49,706	51,310	53,989
Business Type Activities										
Invested in Capital Assets, net of related debt	25,900	32,864	32,531	36,907	38,319	38,014	38,634	39,948	41,387	43,249
Restricted	2,807	2,324	5,118	2,211	2,284	1,820	2,014	2,092	2,417	2,972
Unrestricted	12,921	15,086	14,104	16,045	17,603	19,649	21,259	21,143	20,333	21,650
Total Business Type Activities Net Assets	41,628	50,273	51,753	55,163	58,205	59,483	61,908	63,183	64,137	67,871
Primary Government										
Invested in Capital Assets, net of related debt	66,725	75,108	73,681	81,423	88,306	87,271	87,047	87,026	86,790	89,299
Restricted	3,607	3,057	10,615	5,330	5,115	4,953	5,513	6,016	7,580	10,193
Unrestricted	17,367	20,462	15,403	20,994	18,734	21,414	23,872	19,847	21,077	22,368
Total Primary Government Net Assets	\$87,699	\$98,627	\$99,699	\$107,748	112,155	113,637	116,432	112,889	115,447	121,860

\*The City implements the new GASB 34 standards in 2007

**CITY OF ELLENSBURG  
SUMMARY OF SALES TAX REVENUE  
LAST TEN YEARS**

Sales Tax Category	Fiscal Year									
	2,008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Retail Trade	1,460,628	1,321,023	1,355,673	1,408,778	1,481,248	1,577,972	1,666,940	1,873,600	2,044,395	2,130,833
Accommodation and Food Services	417,623	448,437	465,611	472,250	492,905	520,154	540,628	586,141	645,328	653,981
Construction	657,229	410,907	316,044	407,154	393,299	332,459	446,724	532,049	581,817	947,292
Wholesale Trade	212,757	199,266	238,256	236,277	227,758	266,433	270,753	265,524	277,570	262,185
Educational Service	124,851	109,838	121,787	116,194	117,323	127,640	116,484	130,991	139,501	123,002
Manufacturing	62,966	62,066	37,718	36,779	49,604	50,061	50,414	53,149	21,182	64,208
Information	53,509	54,550	73,002	78,166	116,016	125,972	133,961	141,349	186,589	137,705
Other Services	95,335	101,697	99,056	101,938	106,240	112,091	116,648	120,906	117,623	135,914
others	333,003	334,761	330,202	349,234	275,948	311,790	297,934	308,865	352,161	440,113
<b>Total</b>	<b>3,417,901</b>	<b>3,042,545</b>	<b>3,037,349</b>	<b>3,206,770</b>	<b>3,260,341</b>	<b>3,424,572</b>	<b>3,640,486</b>	<b>4,012,574</b>	<b>4,366,164</b>	<b>4,895,234</b>

Source for years 2008-2015 Tax Tool Category Analysis Report--R03.4 201X01

-Source for years after 2015, Tax Tools reports are no longer available. Reports are generated directly from Dept of Revenue website. Categories are condensed to conform w/ reports submitted City Council.

**CITY OF ELLENSBURG**  
**PROPERTY TAXES LEVIES AND COLLECTIONS\***  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY</b>	<b>CURRENT TAX COLLECTIONS</b>	<b>PERCENT OF LEVY COLLECTED</b>	<b>DELINQUENT TAX COLLECTIONS</b>	<b>TOTAL TAX COLLECTION</b>	<b>OUTSTANDING DELINQUENT TAXES</b>	<b>% OF TOTAL TAX COLLECT TO TAX LEVY</b>	<b>% OF Del. OUTST TAX TO TAX LEVY</b>
2007	2,034	1,743	85.7%	255	1,998	36	98.2%	1.8%
2008	2,284	2,027	88.7%	176	2,203	81	96.4%	3.6%
2009	2,366	2,072	87.5%	219	2,291	76	96.8%	3.2%
2010	2,421	2,053	84.8%	257	2,310	111	95.4%	4.6%
2011	2,472	2,177	88.1%	227	2,404	68	97.3%	2.7%
2012	2,545	2,423	95.2%	27	2,450	95	96.3%	3.7%
2013	2,588	2,259	87.3%	236	2,495	93	96.4%	3.6%
2014	2,651	2,221	83.8%	348	2,570	81	96.9%	3.1%
2015	2,717	2,420	89.1%	235	2,655	62	97.7%	2.3%
2016	2,808	2,204	78.5%	552	2,757	52	98.2%	1.8%
2017	2,856	2,578	90.3%	224	2,801	55	98.1%	1.9%

**CITY OF ELLENSBURG- Library Bond Levy (2004-2023)**  
**PROPERTY TAXES LEVIES AND COLLECTIONS\***  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY</b>	<b>CURRENT TAX COLLECTIONS</b>	<b>PERCENT OF LEVY COLLECTED</b>	<b>DELINQUENT TAX COLLECTIONS</b>	<b>TOTAL TAX COLLECTION</b>	<b>OUTSTANDING DELINQUENT TAXES</b>	<b>% OF TOTAL TAX COLLECT TO TAX LEVY</b>	<b>% OF Del. OUTST TAX TO TAX LEVY</b>
2008	153	134	87.3%	14	148	5	96.4%	3.6%
2009	162	135	83.6%	21	157	5	96.8%	3.2%
2010	150	134	89.0%	13	147	3	97.7%	2.3%
2011	175	137	78.4%	35	172	3	98.2%	2.3%
2012	153	134	87.3%	14	148	5	96.4%	3.6%
2013	153	134	87.3%	14	148	5	96.4%	3.6%
2014	162	135	83.6%	21	157	5	96.8%	3.2%
2015	150	134	89.0%	13	147	3	97.7%	2.3%
2016	175	137	78.4%	35	172	3	98.2%	2.3%
2017	175	172	98.1%	14	185	-	105.9%	0.0%

\*\* Source Kittitas County Monthly Collection Report

**CITY OF ELLENSBURG**  
**PROPERTY TAX FUND COMPOSITE REPORT\*\***  
**LAST TEN YEARS**  
(amounts expressed in thousands)

		Real Appraised Value	Personal Appraised Value	Open Space	Senior Exempt Loss	HOH Exempt Loss	Minimum Value Loss	Total Regular value	Total excess Value	New Construction
2008	Local	1,158,392	49,816	8,774	26,264	686	2	1,172,481	1,161,956	30,230
	State	2,425	19,494	0	0	0		21,919	21,919	
	Total	1,160,817	69,310	8,774	26,264	686	2	1,194,400	1,183,875	30,230
2009	Local	1,184,826	51,466	8,615	22,587	677	2	1,204,411	1,192,228	30,155
	State	3,151	17,936	0	0	0		21,088	21,088	
	Total	1,187,978	69,402	8,615	22,587	677	2	1,225,498	1,213,316	30,155
2010	Local	1,197,934	53,551	9,383	22,924	554	2	1,218,621	1,206,453	16,231
	State	3,734	13,432	0	0	0		17,166	17,166	
	Total	1,201,668	66,982	9,383	22,924	554	2	1,235,787	1,223,619	16,231
2011	Local	1,151,287	48,100	8,462	17,301	344	3	1,173,276	1,161,575	11,854
	State	4,907	11,915	0	0	0		16,822	16,822	
	Total	1,156,195	60,014	8,462	17,301	344	3	1,190,098	1,178,397	11,854
2012	Local	1,156,674	47,517	8,462	14,937	444	4	1,180,344	1,168,540	8,127
	State	4,753	11,126	0	0	0		15,879	15,879	
	Total	1,161,427	58,643	8,462	14,937	444	4	1,196,223	1,184,419	8,127
2013	Local	1,181,472	46,873	7,222	14,029	393	4	1,206,698	1,194,677	17,088
	State	4,447	11,570	0	0	0		16,017	16,017	
	Total	1,185,919	58,443	7,222	14,029	393	4	1,222,714	1,210,694	17,088
2014	Local	1,197,870	48,852	7,160	12,604	294	4	1,226,661	1,216,433	14,837
	State	4,232	13,991	0				18,224	18,224	0
	Total	1,202,102	62,843	7,160	12,604	294	4	1,244,885	1,234,657	14,837
2015	Local	1,229,111	52,453	13,251	15,582	286	4	1,252,441	1,242,511	18,865
	State	4,050	14,064	0	0	0	0	18,113	18,113	0
	Total	1,233,161	66,517	13,251	15,582	286	4	1,270,554	1,260,624	18,865
2016	Local	1,241,105	47,520	12,536	11,613	232	4	1,261,628	1,250,023	14,127
	State	4,009	14,284					18,293	18,293	
	Total	1,245,114	61,804	12,536	11,613	232	4	1,279,920	1,268,316	14,127
2017	Local	1,437,834	54,076	12,504	12,010	305	26	1,461,138	1,447,403	21,161
	State	4,204	16,441					20,645	20,645	
	Total	1,442,038	70,517	12,504	12,010	305	26	1,481,783	1,468,048	21,161

\*\*Source: Kittitas County Assessor's office Composite Report

**CITY OF ELLENSBURG  
DIRECT AND OVERLAPPING PROPERTY TAX RATE  
LAST TEN FISCAL YEARS**

	City Direct Rates			Overlapping Rate			Total Direct and Overlapping Rate	
	General Fund	General Obligation Debt Service	Total Direct Rate*	School District # 401	Hospital District # 1	Kittitas Valley Fire and Rescue		Total Overlapping
2007	1.912	0.108	2.020	2.716	0.291	-	3.007	5.027
2008	1.931	0.115	2.046	2.827	3.090	-	5.917	7.963
2009	1.959	0.121	2.080	2.846	0.287	-	3.132	5.212
2010	1.993	0.121	2.113	2.981	0.308	-	3.289	5.403
2011	2.138	0.126	2.264	3.782	0.304	-	4.086	6.349
2012	2.163	0.129	2.292	4.099	0.304	-	4.403	6.695
2013	2.168	0.134	2.302	4.220	0.342	-	4.562	6.864
2014	2.183	0.122	2.305	4.582	0.350	1.687	6.619	8.924
2015	2.210	0.139	2.349	5.248	0.364	1.683	7.295	9.644
2016	2.231	0.138	2.369	5.698	0.380	1.681	7.760	10.129
2017	1.982	0.119	2.101	4.775	0.372	1.570	6.717	8.818

Source Kittitas County Assessors office

\*Tax rates are per \$1000 of assessed value

**CITY OF ELLENSBURG, WASHINGTON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**As of Decembe 31, 2017**  
**(amounts expressed in thousands)**

TAX PAYER	TYPE OF BUSINESS	ASSESSED VALUE	PERCENT OF TOTAL ASSESSED VALUE \$1,481,783,012	RANK
Barclay Ellensburg LLC	Multi Residential House	18,706	1.26%	1
Fred Meyer Stores Inc	Retail	15,292	1.03%	2
Greenbaum Family Limited Partnership	Multi Residential House	14,652	0.99%	3
The Meadows Ellensburg LLC	Multi Residential House	14,236	0.96%	4
Timothy Park LLC	Multi Residential House	13,152	0.89%	5
Twin City Foods INC	Food Processing	12,811	0.86%	6
Ellensburg Telephone Company	Telephone Company	2,431	0.83%	7
Riexinger, Keith & Tamra	Residential House	11,011	0.74%	8
Pautzke Bait CO INC	Fish Bait Processing	10,369	0.70%	9
University Court Apts LLC	Multi Residential House	8630.47	0.58%	10
<b>Total</b>		<b>121,290</b>	<b>8.84%</b>	

Source: Kittitas County Assessor Report 'Top 10 Property Owners By Fund'



**CITY OF ELLENSBURG  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2017  
(amount expressed in thousands)**

GOVERNMENTAL UNIT	OUTSTANDING DEBT*	ESTIMATED PERCENTAGE APPLICABLE*	valuation amount	City valuation	ESTIMATED SHARE OF OVERLAPPING DEBT
Kittitas County	\$10,286	23%	6434855673	1468047982	\$2,347
Ellensburg School District NO. 401	38,435	58%	2512463064	1468047982	22,458
Hospital District NO. 1	17,628	38%	3855308455	1468047982	6,713
Kittitas County Fire and Rescue	5,450	52%	2801923961	1468047982	2,855
					<u>34,372</u>
City of Ellensburg Direct Debt					<u>2,971</u>
Total Direct and overlapping debt					<u><u>\$37,343</u></u>

\* Source Assessed value data used to estimate applicable percentages provided by Kittitas County Assessor and the debt outstanding data provided by each governmental unit, presented net of original issuance discount and premiums

**CITY OF ELLENSBURG**  
**OUTSTANDING GENERAL OBLIGATION DEBT TO THE DEBT LIMIT**  
**LAST TEN YEARS**  
(amounts expressed in thousands)

FISCAL YEARS	*GO DEBT	DEBT LIMIT	GO AS A %OF DEBT LIMIT
2008	6,770	30,637	22.10%
2009	6,375	30,895	20.63%
2010	8,800	31,022	28.37%
2011	8,300	29,739	27.91%
2012	4,030	29,906	13.48%
2013	3,820	30,568	12.50%
2014	3,570	31,122	11.47%
2015	3,345	31,764	10.53%
2016	3,395	31,998	10.61%
2017	2,971	37,045	8.02%

**Legal Debt Margin Calculation for fiscal Year 2017**

Assessed Value		\$1,481,783,012
Debt Limit	in thousands	37,045
Debt applicable to limit		
General Obligation Bonds		2,971,200
Less amount set aside for repayment of general obligation debt		(126,161)
Total net debt applicable to limit		<u>2,845,039</u>
Legal Debt Margin Calculation for 2017	in thousands	<u><u>\$34,200</u></u>

\* presented net of original issuance discount and premiums

**City of Ellensburg**  
**Ratio of Net General Obligation Bonded Debt**  
**To Assessed Value and Net General Obligation Bonded Debt per Capita**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Population*</b>	<b>Assessed Value**</b>	<b>Gross Bonded Debt***</b>	<b>Less Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
2008	17	1,194,400	6,770	299	6,471	0.54%	373
2009	17	1,225,498	6,392	297	6,095	0.50%	354
2010	18	1,235,787	8,808	301	8,507	0.69%	468
2011	18	1,240,862	8,300	397	7,903	0.64%	433
2012	18	1,196,223	4,030	90	3,940	0.33%	216
2013	18	1,222,714	3,820	89	3,731	0.31%	203
2014	19	1,244,885	3,570	99	3,471	0.28%	185
2015	19	1,270,554	3,345	101	3,244	0.26%	171
2016	19	1,279,920	3,395	116	3,280	0.26%	170
2017	20	1,228,570	2,971	126	2,845	0.23%	146

\* From Washington State Office of Financial Management Population as of 4/1/2017

\*\* From Kittitas County Assessors Office

\*\*\* Amount does not include special assessments and revenue bonds, presented net of original issuance discount and premiums

**CITY OF ELLENSBURG**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

FISCAL YEARS	GOVERNMENTAL	BUSINESS TYPE	Total Primary Government	Population	Per Capita	Per Capita Income***	Personal Income	Percentage of Personal Income
	*GO DEBT	**REVENUE BONDS						
A	****B	****C	D	E	F	G	H	I
2008	6,769,986	17,383,884	24,153,870	17,330	1,393.76	32,139	556,968,870	4.34%
2009	6,391,947	15,010,585	21,402,532	17,230	1,242.17	32,149	553,927,270	3.86%
2010	8,808,474	17,440,000	26,248,474	18,174	1,444.29	32,010	581,749,740	4.51%
2011	8,300,000	14,150,000	22,450,000	18,250	1,230.14	33,031	602,815,750	3.72%
2012	4,030,000	13,580,000	17,610,000	18,320	961.24	35,630	652,741,600	2.70%
2013	3,820,000	14,898,951	18,718,951	18,348	1,020.22	28,029	514,276,092	3.64%
2014	3,570,000	22,289,816	25,859,816	18,774	1,377.43	19,473	365,586,102	7.07%
2015	3,345,000	17,550,310	20,895,310	19,001	1,099.70	25,888	491,897,888	4.25%
2016	3,395,243	18,159,295	21,554,538	19,310	1,116.24	28,930	558,638,300	3.86%
2017	2,971,200	17,328,248	20,299,448	19,550	1,038.33	18,758	366,718,900	5.54%

\*Includes Public Work Trust Fund Loans

\*\*Includes Water/Sewer Revenue Bonds sold to light Fund. Does not include interfund loans

\*\*\*Bureau of Economic Analysis - Regional Economic Accounts

\*\*\*\* presented net of original issuance discount and premiums

**City of Ellensburg**  
**Ratio of Annual Debt Service Expenditures**  
**For General Obligation Bonded Debt**  
**to Total General Governmental Expenditures**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Total General Governmental Expenditures**	Debt Service Requirements			
		Principal	Interest*	Total	Ratio of Coverage
2008	17,024	350	325	675	4.00%
2009	14,457	365	311	676	5.00%
2010	15,921	510	355	865	5.00%
2011	18,641	500	395	895	5.00%
***2012	23,867	427	338	765	3.00%
2013	17,196	210	168	378	2.00%
2014	18,277	205	161	366	2.00%
2015	18,613	225	154	379	2.00%
2016	19,104	240	151	391	2.00%
2017	21,354	255	162	417	2.00%

\* excludes bond issuance and other costs

\*\* Includes general , special revenues, debt service ,capital service funds, library and hal holmes trusts

\*\*\* Principal amount is large due to the payoff of GO Bonds in 2012

**City of Ellensburg**  
**Revenue Bond Coverage**  
**Sewer Revenue Bonds**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Gross Operating Revenues*	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2008	2,602	2,180	422	158	61	220	1.92
2009	2,876	2,248	627	164	56	220	2.86
2010	3,142	2,399	742	181	126	306	2.42
2011	2,933	2,586	347	194	309	503	0.69
2012	3,245	2,622	623	199	194	393	1.58
2013	3,409	2,575	835	204	180	384	2.18
2014	3,417	2,808	609	47	165	212	2.87
2015	3,706	2,859	847	132	164	296	2.86
2016	3,925	3,248	677	140	154	294	2.30
2017	4,004	2,718	1,286	192	101	293	4.39

\* Excludes investment earnings

\*\* Total operating expense exclusive of depreciation, taxes, GASB 68

**City of Ellensburg**  
**Revenue Bond Coverage**  
**Water Revenue Bonds**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Gross Operating Revenues*	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2007	2,605	2,175	430	129	108	236	2
2008	2,867	2,308	559	137	102	239	2
2009	2,876	2,471	404	141	95	236	2
2010	3,112	2,485	628	199	129	329	2
2011	3,391	2,542	850	176	129	305	3
2012	3,805	2,608	1,197	181	232	413	3
2013	3,874	2,810	1,064	377	275	653	2
2014	3,995	2,827	1,168	382	267	649	2
2015	4,499	2,978	1,522	541	256	797	2
2016	4,577	3,320	1,257	515	222	738	2
2017	4,614	2,480	2,134	580	154	734	3

\* Excludes investment earnings

\*\* Total operating expense exclusive of depreciation

**City of Ellensburg**  
**Revenue Bond Coverage**  
**Gas Revenue Bonds**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Gross Operating Revenues*	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2003	6,649	5,674	975	80	91	171	6
2004	6,710	6,277	433	85	87	172	3
2005	8,843	8,186	656	90	83	173	4
2006	9,387	8,333	1,055	90	79	169	6
2007	8,877	8,023	854	95	75	170	5
2008	9,519	8,533	986	100	70	170	6
2009	9,633	8,695	938	105	66	171	6
2010	9,393	8,601	791	110	60	170	5
2011	8,482	7,619	863	115	55	170	5
2016	6,374	6,557	(183)	35	17	52	(4)
2017	6,982	6,027	955	36	16	52	18

\* Excludes investment earnings

\*\* Total operating expense exclusive of depreciation, taxes, GASB 68

\*\*\* As of end of 2011 the Gas fund did not have debt



**City of Ellensburg  
Revenue Bond Coverage  
Light Revenue Bonds  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

Fiscal Year	Gross Operating	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2007	13,347	10,757	2,590	355	278	633	4
2008	12,709	10,556	2,153	375	260	635	3
2009	13,828	12,199	1,628	395	240	635	3
2010	13,103	11,889	1,214	285	300	585	2
2011	12,838	11,227	1,612	300	289	589	3
2012	13,260	12,441	819	190	203	393	2
2013	14,215	12,881	1,334	200	196	396	3
2014	14,416	13,100	1,316	205	188	393	3
2015	15,333	13,296	2,037	300	288	588	3
2016	15,060	15,049	11	320	282	602	0
2017	16,727	14,194	2,533	325	276	601	4

\* Excludes investment earnings

\*\* Total operating expense exclusive of depreciation, taxes, GASB 68

**CITY OF ELLENSBURG  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Year</b>	<b>City Population*</b>	<b>Kittitas County Population</b>	<b>Kittitas County Personal Income**</b>	<b>Kittitas County Per Capita Income**</b>	<b>Kittitas County Median Age*</b>	<b>City K-12 School Enrollment***</b>	<b>Kittitas County Percent Unemployment****</b>
2007	17,220	38,680	1,124,765	29,079	33	2,976	4.80
2008	17,330	39,158	1,236,125	31,568	33	3,104	5.80
2009	17,230	40,015	1,301,769	32,532	33	3,030	8.50
2010	18,174	40,466	1,276,567	31,547	33	3,019	8.60
2011	18,250	41,010	1,370,748	33,425	33	3,023	9.60
2012	18,320	41,577	1,452,909	34,945	31	3,019	8.20
2013	18,370	41,630	1,532,780	36,819	31	3,000	8.20
2014	18,440	41,853	1,548,828	37,006	31	4,628	6.92
2015	18,810	42,518	1,620,764	38,119	32	4,675	6.40
2016	19,310	43,057	1,692,670	39,312	33	3,167	6.20
2017	19,550	44,866	1,801,883	40,161	34	3,274	5.70

**Data Source**

\*Washington Office of Financial Management - Population Estimates

<http://www.ofm.wa.gov/databook/pdf/53037.pdf>

\*\*Bureau of Economic Analysis - Regional Economic Accounts

\*\*\* Office of Superintendent of Public Instructions

\*\*\*\*Washington State Employment Security Department - Labor Market & Economic Analysis Branch

<https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/labor-area-summaries>

City of Ellensburg  
Miscellaneous Statistics  
December 31, 2017

	2010	2011	2012	2013	2014	2015	2016	2017
Date of Incorporation	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883
Form of Government	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager
Population	17,326	18,174	18,250	18,348	18,440	18,810	19,310	19,550
Number of employees (excluding police and fire):								
Union	120	125	128	128	92	93	94	128
Non-Union	72	43	44	40	29	43	45	121
Area in square miles	7.00 square miles	7.00 square miles	7.00 square miles	7.00 square miles	7.00 square miles	7.00 square miles	6.88 square miles	7.6 square miles
City of Ellensburg facilities and services:								
Miles of streets	69	70	70	70	71	80	80	80
Miles of sidewalks	67,398ft	67398ft	67398ft	95.34 miles	96.77 miles	100.32 miles	100.97 miles	102.5 miles
<b>Culture and Recreation:</b>								
Parks	18	18	18	18	18	18	18	22
Park acreage	250	250	250	250	250	250	254	279
Swimming pools	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	2	2	2	1
<b>Library</b>	1	1	1	1	1	1	1	1
Active Library cards	10,924	10,924	11,864	11,445	11,002	12,558	14,024	12,908
Annual visitors	155,500	155,500	145,702	151,219	164,598	141,817	129,137	132,917
Annual attendance for children's programs	9,074	9,074	10,679	12,567	12,052	13,955	14,103	11,916
Annual attendance for adult programs*				4,733	2,430	380	2,293	5,829
Annual circulation of materials	216,231	216,231	201,683	210,120	206,964	194,423	163,179	167,877
Annual circulation of electronic items							29,823	25,753
<b>Public Safety</b>								
Number of Stations	1	1	1	1	1	1	1	1
Number of FT and PT personnel and officers	38	38	39	37	38	41	41	43
Number of patrol vehicles	7	6	6	8	8	9	8	8
Number of Commissioned officers	26	29	29	29	29	29	29	27
Total Calls for Service (Dispatched)	17,100	17,100	16,162	17,157	17,468	13,773	12,643	13,299
Physical arrests	1,708	1,679	1,582	1,499	1,505	1,411	1,645	1,653
Traffic violations	5,263	4,709	4,472	5,069	4,716	5,671	6,054	1,046
Parking violations	3,333	2,801	2,808	2,671	2,665	2,354	2,279	2,728
<b>Gas Distribution System:</b>								
Miles of Gas lines	115	115	115	125	125	128	115	129
Number of service connections	4,902	4,668	4,627	4,585	4,533	4,673	4,588	4,664
CCF's of gas delivered annually	7.3million	9.5 million	9.5 million	7.5 million	7.2 million	6.5 million	6.9 million	7.95 million
<b>Electric Distribution System:</b>								
Miles of service	88	88	88	88	90	97	91	90
Number of distribution stations	2	2	2	3	3	3	4	4
Number of service connections	9,343	9,316	9,531	9,324	9,436	9,546	9,540	9,624
<b>Water Distribution System:</b>								
Miles of Water Mains	98	98	101	101	101	102	103	104
Number of service connections	5,597	5,635	5,467	5,571	5,609	5,778	5,868	5,725
Number of fire hydrants	794	794	808	817	824	841	850	870
Daily average consumption in gallons	4.1 mgpd	4.1 mgpd	3.7mgpd	4.2mgpd	4.5mgpd	3.8mgpd	3.6mgpd	3,547,309
Maximum daily capacity of plant in gallons	10.5 mgpd	10.5 mgpd	7.00 mgpd	11.30 mgpd	11.30 mgpd	11.30 mgpd	11.30 mgpd	11.30 mgpd
<b>Sewage System:</b>								
Miles of sanitary sewers	77	77	78	78	78.98	79.43	79.79	80
Miles of storm sewers	9.7	9.7	37.4	37.4	37.93	50.31	50.26	46
Number of treatment plants	1mdg	1 mdg	2.8 mgd	2.8 mgd	2.8 mgd	2.8 mgd	1	1
Number of service connections	4,194	4,451	5,564	5,689	5,720	5,790	5,907	5,423
Daily average treatment in gallons	3.5 mgpd	3.5 mgpd	2.8 mgpd	3.03 mgpd	3 mgpd	3.1 mgpd	3.8 mgpd	3,540,000
maximum daily capacity of plant in gallons	8 mgpd	8 mgpd	8 mgpd	8 mgpd	8 mgd	8 mgd	8 mgd	8 mgd

City of Ellensburg  
Full-Time Equivalent City Government Employees by Function/Program  
December 31, 2017

Function/Department	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>City Council</b>											
Mayor	1	1	1	1	1	1	1	1	1	1	1
City Council	6	6	6	6	6	6	6	6	6	6	6
<i>Total City Council</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>
<b>City Manager</b>											
City Manager	1	1	1	1	1	1	1	1	1	1	1
Executive Assistant	1	1	1	1	1	1	1	1	1	1	1
Communications Officer	0	0	0	0	0	0	0	0	0	1	1
Land Use Consultant / Project Manag	0	0	1	1	0	0	0	0	0	0	0
City Attorney	1	1	1	1	1	1	1	1	1	1	1
Executive Assistant / Asst. City Clerk	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Human Resources Director	1	1	1	1	1	1	1	1	1	1	1
Human Resources Specialist	0.75	1	1	1	1	1	1	1	1	1	1
HR Assistant	0	0	0	0	0	0	0	0	0	0	0
Civil Service / Chief Examiner	0	0	0	0	0	0	0	0	0	0	0
On-Call	0	0	0	0.27	0	0	0	0	0	0	0
<i>Total City Manager</i>	<i>5.21</i>	<i>5.46</i>	<i>6.46</i>	<i>6.73</i>	<i>5.46</i>	<i>5.46</i>	<i>5.46</i>	<i>5.46</i>	<i>5.46</i>	<i>6.46</i>	<i>6.46</i>
<b>Financial Services</b>											
Finance Director	1	1	1	1	1	1	1	1	1	1	1
Budget & Accounting Supervisor	0	0	0	0	0	0	0	0	0	0	0
Accounting Manager	1	1	1	1	1	1	1	1	1	1	1
City Clerk	1	1	1	1	1	1	1	1	1	1	1
Assistant City Clerk	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
Applications Specialist	0	0	0	0	0	0	0	0	0	0	1
Assistant Treasurer	0	0	0	0	0	0	0	0	0	0	0
Utility Services Supervisor	1	1	1	1	1	1	1	1	1	1	1
Accounting Analyst	1	1	1	1	1	1	0	0	0	0	0
Accountant II	0	0	0	0	0	0	0	0	1	1	1
Senior Accounting Analyst/Budget Of	0	0	0	0	0	0	1	1	1	1	1
Administrative Assistant	0	0	0	0	0	0.5	0.5	0.5	0	0	0
Account Clerk I / RPZ	2	2	2	2	2	2	2	2	2	2	2
Account Clerk II	1	1	1	1	1	1	2	3	3	3	3
Accounting Specialist	1	1	2	2	2	2	2	2	2	2	2
Senior Account Clerk	1	1	0	0	0	0	0	0	0	0	0
Billing Specialist	1	1	1	1	1	1	1	1	1	1	1
Data Entry / Billing Clerk	1	1	1	1	1	1	1	0	0	0	0
Meter Reader	1	1	1.5	1.5	1.5	1	1	1	0.5	0.5	0
Payroll & Benefits Technician	1	1	1	1	0	0	0	0	0	0	0
Payroll / Accounting Specialist	1	1	1	1	1	1	1	1	1	1	1
Senior Utility Account Clerk	1	1	1	1	1	1	0	0	0	0	0
Senior Meter Reader	1	1	1	1	1	1	1	1	1	1	1
<i>Total Financial</i>	<i>17.5</i>	<i>17.5</i>	<i>18</i>	<i>18</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17.5</i>

City of Ellensburg  
 Full-Time Equivalent City Government Employees by Function/Program  
 December 31, 2017

**Police Department**

Police Chief	1	1	1	1	1	1	1	1	1	1	1
Police Captain	1	0	2	2	2	2	2	2	2	2	2
Police Admin. Supervisor	1	1	1	1	1	1	1	1	1	1	1
Animal Control Supervisor	1	1	1	1	1	1	1	1	1	1	1
Animal Shelter Aide	0.5	1.5	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Animal Control Officer	1	1.5	2	2	2	2	2	2	2	2	2
Secretary / Records Clerk	3	3.5	3.45	3.75	3.5	3.75	3.75	3.75	3.75	3.75	3.75
Code Enforcement Officer	2	2	2	2	2	2	2	2	2	2	2
Sergeant	5	5	5	5	4	5	5	5	5	5	5
Corporal	4	4	4	4	4	4	4	4	4	4	4
Officer First Class	12	17	7	7	11	13	15	15	15	16	16
Officer Second Class	0	0	2	5	3	2	0	2	1	1	1
Officer Third Class	0	0	0	3	2	2	2	0	1	1	1
Probationary Officer	0	0	8	2	0	0	1	1	1	0	0
<b>Total Police</b>	<b>31.5</b>	<b>37.5</b>	<b>39.40</b>	<b>39.70</b>	<b>37.40</b>	<b>39.70</b>	<b>40.65</b>	<b>40.65</b>	<b>40.65</b>	<b>40.65</b>	<b>40.65</b>

**Community Development**

Community Development Director	1	1	1	1	1	1	1	1	1	1	1
Assistant Building Official	0	0	1	1	0	0	1	1	0	0	0
Building Official	0	0	0	0	0	0	0	0	1	1	1
Building Inspector	2	2	2	2	2	2	1	1	1	1	0
Building Inspector II	1	1	0	0	0	0	0	0	0	0	1
Building Plans Examiner	0	0	0	0	0	0	0	0	0	0	0
Planning Supervisor	0	0	1	1	1	1	1	1	1	0	0
Associate Planner	1	1	0	0	0	0	0	0	1	1	1
Community Development Admin Sec	0	0	0	0	0	0	0	0	0	0	0
Planner	0	0	1	1	1	1	0	0	0	0	0
Planning/Permit Technician	2	2	2	2	2	2	2	2	1	1	1
Secretary	0	0	0	0	0	0	0	0	0	0	0
Senior Planner	1	1	0	0	0	0	1	1	2	3	3
<b>Total Community Development</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>

City of Ellensburg  
 Full-Time Equivalent City Government Employees by Function/Program  
 December 31, 2017

**Engineering / Public Works**

Public Works Director	1	1	1	1	1	1	1	1	1	1	1
Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1	1
Assistant City Engineer	0	0	0	0	1	1	1	1	1	1	1
City Engineer	1	1	1	1	1	1	1	1	1	1	1
Civil Engineer	1	1	1	1	0	0	0	2	2	2	2
Operations Analyst	2	2	2	2	2	2	2	2	2	2	2
Public Transit Manager			0	0	0	0	0	0	0	0	1
Stormwater Utility Manager	0	0	0	1	1	1	1	1	1	1	1
Engineering Aide	1	1	1	1	1	1	1	0	0	0	0
Engineering Technician I	1	1	1	1	1	1	1	2	2	1	1
Engineering Technician II	0	0	1	1	1	1	1	0	0	0	0
Engineering Technician III (Arborist)	1	1	1	1	1	1	1	1	1	1	1
Development Coordinator	0	0	0	0	0	0	0	0	0	1	1
PW Administrative Secretary	1	1	1	1	1	1	1	1	1	1	1
Temporary Labor- Engineering	0	0	0.25	0.32	0	0	0	0	0	0	0
Street Foreperson	1	1	1	1	1	1	1	1	1	1	1
Water Foreperson	1	1	1	1	1	1	1	1	1	1	1
Sewer Foreperson	1	1	1	1	1	1	1	1	1	1	1
Shop Foreperson	1	1	1	1	1	1	1	1	1	1	1
Heavy Equipment Operator- Street	5	5	5	5	5	5	5	5	5	5	6
Temporary Laborers- Street	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92
Cross Connection Control Specialist	1	1	1	1	1	1	1	1	1	1	1
Senior Pipeman- Water	4	4	4	4	4	4	4	4	4	4	4
Plant Maintenance Tech- Water	1	1	1	1	1	1	1	1	1	1	1
Temporary Laborer- Water	1	1	1.42	1.42	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Plant Maintenance Tech- Sewer	1	1	1	1	1	1	1	1	1	1	1
Lab-Tech Operator	1.5	1.5	1	1	1	1	1	1	1	1	1
Treatment Plant Operator	4	4	5	5	5	5	5	5	5	5	5
Collection Serviceman	2	2	2	2	2	2	2	2	2	2	2
Temporary Laborers- Sewer	0.59	0.59	0.7	0.84	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Equipment Mechanic	2	2	2	2	2	2	2	2	2	2	2
Sr. Mechanic	0	0	0	0	0	0	0	0	0	0	1
Plant Maintenance- Shop	1	1	1	1	1	1	1	1	1	1	1
Warehouseperson	1	1	1	1	1	1	1	1	1	1	1
Temporary Student Laborer- Shop	0.4	0.4	0.58	0.58	0.58	0.58	0.58	0.58	0.59	0.59	0.59
Temporary Laborer- Stormwater	0	0	0	0	0	0	1.17	1.17	1.16	1.16	1.16
<b>Total Engineering / Public Works</b>	<b>41.41</b>	<b>41.41</b>	<b>43.87</b>	<b>45.1</b>	<b>44.6</b>	<b>44.6</b>	<b>45.8</b>	<b>46.8</b>	<b>46.8</b>	<b>46.8</b>	<b>49.75</b>

City of Ellensburg  
 Full-Time Equivalent City Government Employees by Function/Program  
 December 31, 2017

**Parks and Recreation**

Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1	1
Aquatic and Recreation Supervisor	1	1	1	1	1	1	1	1	1	1	1
ERRC Coordinator	1	1	1	1	1	1	1	1	1	1	1
Recreation Aide- ERRC	1.8	1.8	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
Pool Administrative Secretary	1	1	1	1	1	1	1	1	1	1	1
Rac & Rec Center Assistant Coordin	0	0	0	0	0	0	0	0	0	0	0
Senior Services Coordinator	1	1	1	1	1	1	1	1	1	1	1
Youth Center and Athletic Program C	1	1	1	1	1	1	1	1	1	1	1
Senior Van Driver	0.45	0.45	0.45	0.45	0	0.45	0.45	0.45	0.45	0.45	0.45
Aquatic / Recreation Leader	0.85	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Lifeguard	8.88	5.96	5.96	5.12	5.96	4.87	4.87	4.87	4.87	4.87	4.87
Instructor	0	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03
Recreation Aide	0	0.75	0.75	0.75	0.75	0	0	0	0	0	0
Custodian	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Recreation Leader	0	0.83	1.36	1.36	0.7	0.62	0.62	0.62	0.62	0.62	0.62
Sports Officials I-V						1.43	1.43	1.43	1.43	1.43	1.43
Recreation Leader- Tiny Tots						0.1	0.1	0.1	0.1	0.1	0.1
SBYC Recreation Leader						0.4	0.4	0.4	0.4	0.4	0.4
Park Attendants	0.53	0.53	0	0	0	0	0	0	0	0	0
Parks Foreman	1	1	1	1	1	1	1	1	1	1	1
Park Maintenance Technician	3	3	3	3	2	3	3	3	4	4	4
Temporary Laborers- Parks	1.67	1.67	2.53	2.53	2.53	2.53	2.53	2.53	3.17	3.17	3.17
<b>Total Parks &amp; Recreation</b>	<b>24.8</b>	<b>24.7</b>	<b>25</b>	<b>24.2</b>	<b>22.9</b>	<b>24.4</b>	<b>24.4</b>	<b>24.4</b>	<b>26</b>	<b>26</b>	<b>26</b>

**Library**

Library Director	1	1	1	1	1	1	1	1	1	1	1
Librarian	1	1	1	1	1	1	1	1	1	1	1
Hal Holmes Office Assistant	0.4	0.4	0.45	0	0	0	0	0	0	0	0
Hal Holmes Facility Assistant	0	0	0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.95
Hal Holmes Office Manager	1	1	1	0	0	0	0	0	0	0	0
Library Administrative Assistant	0	0	0	1	1	1	1	1	1	1	1
Library Aide	0.8	0.8	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.38
Library Associate	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Library Assistant	2.7	2.7	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
Library Specialist	0.75	0.75	0.75	0	0	0	0	0	0	0	0
Office Specialist	0.75	0.75	0.45	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
<b>Total Library</b>	<b>11.9</b>	<b>11.9</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.73</b>

City of Ellensburg  
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**Energy Services / IT**

Energy Services Director	1	1	1	1	1	1	1	1	1	1	1	1
Special Projects Manager	0	0	0	0	0	0	0.25	0	0	0	0	0
Electrical Engineer	1	1	1	1	1	1	1	1	1	1	1	1
Energy Services Resource Manager	1	1	1	1	1	1	1	0	0	0	0	0
Executive Assistant- Energy Services	1	1	1	1	1	1	1	1	0	0	0	0
Operations Analyst	0	0	0	0	0	0	0	0	1	1	1	1
Field Engineer	0.75	0.75	0.75	0	0	0	0	0	0	0	0	0
Gas Engineer	1	1	1	1	1	1	1	1	1	1	1	1
IT Manager	0	0	0	0	0	0	0	1	0	0	0	0
IT and Telecommunications Manager	0	0	0	0	0	0	0	0	1	1	1	1
IT Systems Administrator	0	0	1	1	1	1	1	1	2	2	2	2
Network / Desktop Analyst	2	2	1	1	1	1	1	0	0	0	0	0
Operations Supervisor- Gas	1	1	1	1	1	1	1	1	1	0	0	0
Engineering and Operations Manager - Gas	0	0	0	0	0	0	0	0	0	1	1	1
Operations Supervisor- Electric	1	1	1	1	1	1	1	1	1	1	1	1
Project Engineer	0	0	0	0	0	0	0	1	1	1	1	2
Rate Analyst	1	1	1	1	1	1	1	0	1	1	1	1
Power and Gas Manager	0	0	0	0	0	0	0	1	1	1	1	1
Energy Specialist	1	1	1	1	1	1	1	1	1	0	0	0
Engineering Specialist- Gas	0	0	0	0	0	0	1	1	1	1	1	1
Engineering Specialist- Light	0	0	1	1	1	1	1	1	1	1	1	1
Engineering Tech- Gas	0.4	0.4	1	1	1	1	0	0	0	0	0	0
Engineering Tech- Light	0.6	0.6	0	0	0	0	0	0	0	0	0	0
Mapping / CAD Technician	1	1	1	0	0	0	0	0	0	0	0	0
Energy Auditor- Gas	0	0	0	0	0	0	0.5	0	0	0	0	0
GIS Coordinator	0	0	0	0	0	0	0	0	1	1	1	1
GIS Specialist	0	0	1	1	1	1	1	1	1	1	1	1
GIS Technician	0	0	0	0	0	0	0	0	1	0	0	0
Gas Foreman	1	1	1	1	1	1	1	1	1	1	1	1
Gas Journeyman	4	4	5	5	5	5	5	5	5	5	5	5
Gas Serviceman	1	1	1	1	1	1	1	1	1	1	1	1
Gas Technician	1	1	0	0	0	0	0	0	0	0	0	0
Temporary Labor- Gas	0.5	0.5	0.25	0.25	0	0	0	0	0	0	0	0
Light Foreman	1	1	1	1	1	1	1	1	1	1	1	1
Light Serviceman	1	1	1	1	1	1	1	1	1	1	1	1
Lineman	6	4	5.5	5.5	5	5	6	5	5	5	5	6
Meterman	2	2	2	2	0	0	0	0	0	0	0	0
Groundman	0	1	0	0	0	0	0	0	0	0	0	0
Apprentice	0	1	0	0	0	0	0	1	1	1	1	1
Temporary Labor- Light	0.5	0.5	0.3	0	0	0	0.25	0	0	0	0	0
<b>Total Energy Services</b>	<b>31.75</b>	<b>31.75</b>	<b>32.80</b>	<b>30.75</b>	<b>28.00</b>	<b>28.00</b>	<b>30.00</b>	<b>29.00</b>	<b>33.00</b>	<b>31.00</b>	<b>33.00</b>	<b>33.00</b>